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UNITED STATES DEPARTMENT OF THE INTERIOR

ANNUAL REPORT
OF THE
GOVERNOR OF HAWAII

TO THE SECRETARY OF THE INTERIOR
FOR FISCAL YEAR ENDED JUNE 30, 1936

UNITED STATES DEPARTMENT OF THE INTERIOR
HAROLD L. ICKES, *Secretary*
TERRITORY OF HAWAII
JOSEPH B. POINDEXTER, *Governor*



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ANNUAL REPORT OF THE GOVERNOR OF HAWAII

EXECUTIVE CHAMBERS,
Honolulu, Hawaii, September 10, 1936.

The SECRETARY OF THE INTERIOR.

SIR: Pursuant to instructions contained in your letter of June 23, 1936, I have the honor to submit the following report of the affairs in and of the progress and development of the Territory of Hawaii during the fiscal year ended June 30, 1936.

The estimated population of the Territory, 393,277, shows an increase of 8,840 over the previous year, or 24,941 since the Federal census of 1930. The past year's increase has been general throughout the islands, all counties reporting gains, though the city and county of Honolulu accounted for the greater portion of the increase. The population of the city and county of Honolulu is now estimated at 216,861 or about 55 percent of the total population of the Islands.

To keep pace with Hawaii's population growth, building activities have been very brisk, and in the city and county of Honolulu alone permits for new buildings during the past year amounted to \$3,586,344, the highest since 1931. The construction of dwellings accounted for most of the permits, there being a very noticeable shortage of rental property to take care of the large increases in Army and Navy personnel and mainland people coming to make permanent homes in Hawaii.

The Tourist Bureau reported a substantial increase in the number of tourists, many of whom, realizing the many climatic and other advantages of Hawaii, decide to make their homes here.

Hawaii's principal industry, the production of sugar, enjoyed a very profitable year. With benefit payments from the Agricultural Adjustment Administration amounting to \$13,323,861, and with prices remaining firm, some plantations which had not paid any dividends for many years were able to do so during the past year. The enactment of the Agricultural Adjustment Act and the Jones-Costigan Sugar Quota Act, which latter act local planters envisioned as discriminatory to Hawaii, have turned out to be exceedingly beneficial to the sugar industry.

Shipments to and from the mainland and foreign countries showed an increase of nearly \$20,000,000 over the previous year. Exports of local products amounted to \$100,033,996, while imports amounted to

\$84,553,972, a healthy balance in Hawaii's favor. Of the local products exported, sugar made up \$58,679,773 and pineapples—canned, fresh, and juice—\$34,037,862.

Internal-revenue payments made to the Federal Treasury amounted to \$7,980,700.63, the highest since 1922, and exceeded each of 16 of the sovereign States.

Upon information furnished me by the financial officers of the Territory indicating that funds would be available, an executive order, effective July 1, 1936, was promulgated on June 2, 1936, increasing all salaries payable to officers and employees of the Territorial government which were in effect on May 21, 1935, by 6 percent. This salary adjustment, together with a 5 percent increase made mandatory by the legislature by Act 215, S. L. 1935, and effective July 1, 1935, practically restores all Territorial salaries to the levels that were in effect on July 1, 1932.

The past year has seen further experimental flights by Pan-American Airways. Their clipper service, carrying mail and express from California to China via Honolulu, Midway, Wake, and Guam, is now established, with flights once a week each way. The people of Hawaii are anxiously awaiting the inauguration of the passenger service, scheduled for some time during 1936.

The Army, Navy, and Coast Guard, as well as other Federal departments represented in Hawaii, have, through their representatives here, been most cooperative with the Territorial administration.

In spite of Hawaii's prosperity, as reflected in the above figures, unemployment still continues to present serious problems. While the peak total of 6,282 of February 1934 has been greatly reduced, there were still 4,378 persons on the relief roll on June 30, 1936.

Details of emergency relief and various other activities of the Territorial administration follow:

FEDERAL EMERGENCY RELIEF ADMINISTRATION

Around a nucleus of Federal Emergency Relief Administration expenditures of \$2,724,960.72 during the fiscal year July 1, 1935, to June 30, 1936, the Federal relief agency in Hawaii maintained an average of 4,286 persons employed on worthwhile projects of permanent value at a total cost of \$3,613,665.60, the remaining \$888,704.88 representing expenditures from the Territorial unemployment relief tax of one-half of 1 percent, and contributions for materials, supplies, and equipment from various Federal and Territorial Government departments and the counties.

The Federal Emergency Relief Administration expenditures were \$2,724,960.72 during the year, as compared with similar contributions of \$2,358,000 during the previous fiscal period.

In addition, \$238,837.22 was disbursed for direct relief from the proceeds of the Territorial unemployment relief tax of one-half of 1 percent on all earned and unearned income in the islands, direct relief having been transferred from the Federal Government to the Territory on July 17, 1935. Between July 1 and 17, the Federal Emergency Relief Administration also disbursed \$33,893.43 from this Territorial fund for labor, out of total collections of \$595,355.68, during the year.

Of the Federal Emergency Relief Administration expenditures, \$2,518,759.38 went for salaries and wages; \$26,298.18 for trucks and equipment; and \$179,903.16 for supplies, materials, and other expenses.

Of the other expenditures on Federal Emergency Relief Administration projects, \$613,419.69 came from the four counties in Hawaii; \$89,188.11 from Territorial departments; \$97,934.94 from the United States Army; \$24,855.29 from the United States Navy; \$28,296.03 from other Federal departments; and \$1,117.39 from other sources. The county contributions were segregated as follows: Oahu, \$237,105.10; Hawaii, \$166,578.91; Kauai, \$45,194.64; and Maui, \$164,541.04, including \$25,677.46 on the Island of Molokai.

On June 30, 1936, there were 4,378 persons on the relief pay rolls, a reduction of 271 from the number on the rolls on July 1, 1935. By islands, the 4,378 were divided as follows: Oahu, 2,320; Hawaii, 904; Kauai, 366; Maui, 698; Molokai, 90.

During the year the pay-roll peak of the Federal Emergency Relief Administration was in June 1936, with a total of 4,862 persons, divided by islands as follows: Oahu, 2,751; Hawaii, 953; Kauai, 356; Maui, 720; and Molokai, 82. The low point was reached in November 1935, with a total of 3,780, segregated by islands as follows: Oahu, 2,174; Hawaii, 766; Kauai, 246; Maui, 556; and Molokai, 38.

The pay-roll peak of 4,862 in June, compared with an all-time relief roll of the Territory in February 1934, of 6,282, divided by islands as follows: Oahu, 3,863; Hawaii, 1,202; Kauai, 325; and Maui, 892.

Continuation of operations on Moana Park, one of the major projects undertaken by the Federal Emergency Relief Administration, indicates that this bids fair to attain the predictions of its sponsors that it would eventually be "one of the most beautiful waterfront developments in the world."

Several other large projects of inestimable value to residents and visitors to the islands were completed during the year in Hawaii. These included the Pacific Heights Road widening, realinement, retaining-wall construction, and drains which now provide one of the most easily accessible and beautiful scenic highways on Oahu.

Another major operation concluded during the year consisted of the completion of a concrete stadium and the Roosevelt High School

athletic field with facilities for track and field activities, football, baseball, and other sports, together with necessary flood control and drainage walls and other general improvements.

The Mokapu Road and Kaneohe Bay Drive, on the windward side of Oahu, also completed during the year, provides another scenic, military and commercial highway that borders the Pacific Ocean for much of its extensive stretch, winding away from the main around-the-island highway, around one of Oahu's picturesque points and then back to the main belt road.

Among the major projects on which work still was in progress at the end of the fiscal year is the Punchbowl-Makiki-Nuuanu shortcut, now nearing completion, which provides another cross-town main artery for residents of Honolulu and will greatly relieve traffic congestion and existing hazards on present cross-town streets.

EMERGENCY CONSERVATION WORK

The authorized enrollment on July 1, 1935, for the Civilian Conservation Corps camps for the Territory of Hawaii was 1,212; however, the full enrollment was not realized until some time in October 1935. On April 1, 1936, under orders from Washington, a gradual reduction of the enrollment was begun until on July 1, 1936, the authorized strength of 600 was reached.

The following conservation work has been performed on approximately 5,400 acres of denuded Government lands in forest reserves on the four main islands:

Trees planted.....	2, 324, 429
Acres of planted trees were cultivated to promote growth.....	5, 641
Miles of new fence constructed.....	63
Miles of existing fence repaired.....	55
Miles of foot trail constructed.....	52
Miles of truck trail constructed.....	67
Miles of horse trail constructed.....	121
Miles of trail maintained and repaired.....	376
Grass and forest fires suppressed.....	5

The Civilian Conservation Corps personnel assisted, to a large extent, in the elimination of the following destructive wild animals:

Goats.....	3, 390	Sheep.....	3, 358
Pigs.....	2, 924	Wild cattle.....	15

The total expenditure for the fiscal year ending June 30, 1936, was \$922,266.31.

PRODUCTION OF PINEAPPLES

The pineapple industry has operated satisfactorily during the past year. All producers except one very small cannery on the island of Kauai are now members of the Pineapple Producers Cooperative Association. Cooperative self-regulation has continued successfully. The production was somewhat larger than the preceding year and also the sales, with the result that the carry-over on June 1, 1936, was normal.

The association has demonstrated the advantages of cooperation in the industry in which competition in marketing is keen. The outstanding features of this cooperation are the application of science to the solution of production problems through the experiment station organized and supported by the industry, industry advertising, and orderly marketing through control of production and the pooling of the proceeds of sales.

With the beginning of the packing season this summer, wages were advanced in all canneries, so that they are now substantially higher than they were under the N. R. A. Prices of the canned products have not been advanced. Aside from minor price adjustments between different items of pack, there has been no change in canned-pineapple prices for over 2 years, notwithstanding the fluctuations in prices of other canned fruits and the chaotic marketing conditions which have at times existed.

TOURIST TRADE

The upward trend of Hawaii's third industry, the tourist business, continued throughout 1935, with tourist arrivals increasing 23.3 per cent over 1934. Visitors for 1935 numbered 19,933, against 16,161 for 1934. The volume of 1-day tourists (through passengers on trans-Pacific steamers) was about the same as in 1934 (25,992 for 1935, 25,110 for 1934). Detailed travel statistics follow:

Passenger arrivals for 1935

Passenger steamers	Number	Total cabin passengers	Local residents returning	Through passengers	Tourist totals
Through steamships.....	208	35,079	2,357	25,992	6,730
Local steamships.....	51	15,260	3,169	-----	12,091
Cruises and miscellaneous.....	13	1,115	3	-----	1,112
Total.....	272	51,454	5,529	25,992	19,933

For advertising by the Hawaii Tourist Bureau, the Territorial legislature appropriated \$100,000 for the 1935-37 biennium. A proviso requires \$2 from public subscriptions for every dollar from the Territory. The necessary funds covering these requirements were obtained.

In national magazines the bureau used reproductions of beautiful natural-color photographs of island scenes. Characteristic spots on the four principal islands were featured.

The legislature earmarked \$25,000 of the bureau's Territorial appropriation for radio advertising. The response from the radio public has been most gratifying.

Thousands of the bureau's Nearby Hawaii booklets were placed in the hands of prospective visitors, while approximately 100,000 Tourfax bulletins were distributed to travel agents and individuals throughout the world. To maintain close contact with travel agents all over the world, the bureau maintains a mailing list of over 3,000 names, which is frequently circularized.

A very important part of the bureau's work has been the preparation and placing of editorial material on Hawaii in the leading magazines, rotogravure sections, trade journals, and newspapers. This material has been readily accepted.

The bureau has prepared and is now distributing new folder maps of Hawaii, Maui, Kauai, and Oahu. These are most popular with local residents and visitors alike.

A prime object of the bureau's work is to encourage travel to all islands of the group. To this end, the bureau arranged frequent special showings of its new all-sound, natural-color travelogues of each island. These programs have proved effective promotion for other island travel.

HAWAII NATIONAL PARK

The apparently successful bombing of the Mauna Loa lava flow, by personnel of the Army Air Corps, with permission of the Governor, in accordance with plans prepared by Volcanologist T. A. Jaggar, was the outstanding event of the year, though the continued operations of the Civilian Conservation Corps camp has again contributed important conservation improvements. Among the latter may be listed the project to fence the park boundaries against the ravages of wild goats and the construction of the Mauna Loa truck trail for fire-protection and volcanic-eruption purposes.

MAUNA LOA ERUPTION

Following a rather severe earthquake which occurred at 1:11 a. m. on November 21, 1935, and which was generally felt throughout the islands of Hawaii, Maui, and Oahu, Mauna Loa erupted at the summit and along the northeast rift or ridge at approximately 6:35

p. m. of that date. Because of the great danger to property inherent in any flow, as well as to assist Dr. Jaggard, a constant watch was maintained by the park staff. Rangers were stationed at the Red Hill rest house to care for the constant stream of visitors, and then as the flow progressed down the mountain toward Humuula and then eastward through Puu Oo, various staff members were detailed to observe and report.

When it was seen that this flow was definitely menacing the city of Hilo, steps were taken to attempt the diversion of the lava channel, by following through the long-projected plan of dynamiting the channel from the air. Dr. Jaggard requested the cooperation of the Hawaiian Department, United States Army, in this experiment, which was readily granted. Upon receiving the approval of the Governor of the Territory, the chairman of the board of supervisors and land owners immediately concerned, the Army Air Corps bombarded the flow in the region pointed out by Dr. Jaggard. Remarkable accuracy was obtained, and while the bombardment did not succeed in breaking through the walls of the channel, Dr. Jaggard is of the opinion that in scattering the explosives over the upper-flow region the bombardment played a definite part in bringing the activity to an early end. The front of the flow became stationary on December 28 at 11 p. m., and the last forward movement of lava was on January 1, 1936, when a small tongue ran a few hundred feet into the Hilo forest reserve.

TRAVEL

According to reports from the district ranger in charge, approximately 16,500 persons visited the Haleakala section during the fiscal year. This is greatly in excess of the few hundreds who visited the crater before construction of the Haleakala road.

Presumably, due to lack of activity in Kilauea, travel to this section showed a slight decrease over last year.

HAWAIIAN HOMES COMMISSION

The Hawaiian Homes Act of 1920 was, on July 26, 1935, further amended by the Seventy-fourth Congress of the United States (Public Document No. 223, S. 2965). It provides that—

1. The Governor shall designate one of the commissioners as chairman.

2. An executive officer and such clerical assistants shall be appointed by the Commission to serve at its pleasure.

3. The executive officer shall reside habitually at the major Hawaiian homes settlement.

4. The Secretary of the Interior shall designate from his Department someone experienced in sanitation, rehabilitation, and reclama-

tion work to reside in the Territory of Hawaii and cooperate with the Commission in carrying out its duties. The salary of such official shall be paid by the Hawaiian Homes Commission.

In December 1935 these provisions were complied with. Following reorganization, the Commission adopted several resolutions, all designed to assist in the execution of its objective and policy. They provide for the correction of the practice of squatting on Hawaiian homelands, the nonapproval of assignments or any document guaranteeing the payment of homesteaders' debts, and stressed such regulations for the uplift of the health and general welfare of the homesteads.

Collections for the fiscal year totaled \$170,368.63. This includes the \$62,000 grant from the Federal Public Works Administration as its share of the Hoolehua-Palaau water system project and \$31,871.95 from homesteaders for repayment of loans.

Income (accrued) totaled \$48,437.96. Operating expenses amounted to \$70,846.07. The result was a deficit of \$22,408.11 for the fiscal year.

It is well to touch briefly on the financial status of the Commission. Entering upon its work, the new Commission was confronted with a very low treasury. Available cash as of October 1935 amounted to \$152,792.51.

Immediate retrenchment began. By judicious reduction and budgeting, savings were effected without impairing work or progress. Repairing and rehabilitating of equipment, rebuilding of buildings, water system, construction of needed highways, and sundry other needs were accomplished with minimum cost.

Current operating expenses were reduced to effect substantial savings, permitting continuance of work in spite of budget conditions. From an average current budget of \$5,415.60 this has been reduced to \$4,594.67 per month. In spite of the reductions, the efficiency of the service has not been impaired. Rather, the contrary is the result.

For the year there were granted 13 new leases, 13 cancelations, and 16 transfers.

The aggregate population on all Hawaiian Homes projects totaled 3,249 persons, as of June 30, 1936.

ISLAND OF MOLOKAI

Improvements to the Palaau-Hoolehua water system (Federal Public Works Administration Docket 1891) were completed in July 1935, at a cost of \$248,349.67, of which a grant of \$62,000 was contributed by the Federal Public Works Administration. These improvements include two 3.5-million-gallon concrete reservoirs and miles of cast-iron and cement-lined pipes. Thus, the storage capacity has been increased from 2,320,000 gallons to over 9,000,000 gallons. Although there is an abundant supply of domestic water to serve both

the Palaau-Hoolehua and Kalamaula areas, the distribution system for the latter area has proven to be unsatisfactory, due to the size and corrosion of pipes. Their immediate replacement is imperative. Plans and specifications for improvements were prepared and subsequent application for Public Works Administration grant filed. Temporary improvements to meet immediate needs are now being carried on.

The United States Bureau of Reclamation is now conducting a preliminary survey on the feasibility and cost of delivering water from the large streams of East Molokai to the Palaau-Hoolehua homesteads and adjacent lands, for irrigating purposes. Should this prove feasible, a new era of homesteading will be possible.

During the fiscal year, 27,641 tons of pineapples were harvested from the Palaau-Hoolehua homestead area. Gross value of these was \$618,638.45, with the homesteaders netting \$355,421.42.

There are now 1,002 acres of land under pineapple cultivation. Of this number, 826 acres are in the "block system" with Libby, McNeill & Libby. In 1936 the California Packing Corporation entered the "block system" with homesteaders participating. About 60 acres of land are now under preparation for this first block.

Homesteaders owning trucking equipment successfully hauled the entire crop this year, replacing all outside truckers. They rendered commendable service.

There will be completed, in the immediate future, 2 miles of paved road (Farrington Avenue) within the Palaau-Hoolehua area. This was accomplished only through the aid of the county of Maui, which performed actual construction.

The Commission is coordinating with the Hawaii Agricultural Experiment Station in experiments on taro culture. Areas in the Palaau-Hoolehua districts have been set aside and test plots established.

Good crops of tomatoes, melons, corn, Irish and sweet potatoes, and peanuts were produced by a limited number of homesteaders. Proper grading and packing have been encouraged by the Commission's staff and the University of Hawaii agricultural extension service to the advantage of these homesteaders. Larger returns and greater demands were received for graded and well-packed produce. On June 30, 1936, there were 948 acres prepared and planted in crops other than pineapples.

ELECTIONS

Territorial general elections are held in November of every even-numbered year to elect a Delegate to Congress for 2 years, one-half of the members of the senate for 4 years, and all of the members of the house of representatives for 2 years.

All county general elections are held simultaneously with Territorial general elections on the first Tuesday next after the first Monday in November.

In the city and county of Honolulu are elected a mayor, clerk, treasurer, auditor, sheriff, and seven supervisors. The counties of Hawaii, Maui, and Kauai elect to the same offices, with exception of the mayor; they also elect an attorney. Three supervisors of the county of Hawaii are elected from the first representative district, and three from the second representative district; and one at large who shall be the chairman and executive officer of the board. The board of supervisors of the county of Maui consists of seven members, one of whom is elected as chairman and executive officer. The county of Kauai has a board of five supervisors. A chairman is named from among its membership.

Territorial and county primary elections are held on the first Saturday of October in every even-numbered year; and no person shall be a candidate for a general election unless he shall have been nominated in the primary next prior thereto.

Four new voting precincts have been created since the last general election, making a total of 139, divided as follows: 23 in the first representative district, 16 in the second, 26 in the third, 34 in the fourth, 29 in the fifth, and 11 in the sixth. The general feeling is that no precinct should have more than 800 registered voters. Additional precincts cannot be taken care of prior to the coming election, due to lack of funds. This matter will be brought to the attention of the next legislature.

HAWAIIAN BIRTH REGISTRATION

The issuance of certificates of Hawaiian birth was provided by the legislature of the Territory at its regular session of 1905.

The secretary of the Territory may, whenever satisfied that any person was born within the Hawaiian Islands, cause to be issued to such person a certificate showing such fact. Regulations are made by the secretary subject to the approval of the Governor.

Examination of applicants and persons cognizant of the facts regarding any application are made by the secretary of the Territory, or his secretary, or such other person as he may designate and appoint from his office.

The present statute provides for an application fee of \$5; the fee for a renewal certificate is \$2.50.

After a lapse of 5 years a certificate may be renewed. A renewal certificate carries a photograph as of the date of reissue.

Up to June 30, 1936, 27,113 certificates have been issued, including 365 renewals; 783 applications have been denied, and 381 applications are held for further investigations.

LEGISLATURE

There was no session of the legislature during the last fiscal year. Its next regular session will begin on the third Wednesday in February of 1937.

COUNTY AND CITY AND COUNTY GOVERNMENTS

Local governments in Hawaii were first established on July 1, 1905, the Territory being divided into four counties. On July 1, 1909, the county comprising the island of Oahu was converted into a city and county, known as the city and county of Honolulu, with a mayor.

The other counties are Hawaii, including the island of that name; Maui, including the islands of Maui, Kahoolawe, Lanai, and all of Molokai except the leper settlement; and Kauai, including the islands of Kauai and Niihau. The leper settlement on Molokai constitutes a fifth county, Kalawao, which is under the control of the board of hospitals and settlement.

Income of counties, fiscal year ended June 30, 1936

	Collected by Territory for counties				Collected by counties					Consoli- dated total	
	General property taxes	Poll taxes	Business licenses taxes	Mis- cella- neous	Vehicle taxes	License fees	Fines and cost	Water and sewer rates	Bond sales and improve- ment assess- ments		Miscella- neous
Honolulu, Oahu.....	\$3,277,916.33	\$14,566.25	\$448,657.95	\$6.38	\$1,093,293.71	\$162,189.89	\$90,159.46	\$1,155,024.69	\$1,546,329.74	\$472,086.17	\$8,260,230.57
Maui.....	737,624.87	729.55	108,725.59	140.23	185,146.12	30,898.29	22,867.37	74,302.53	250,000.00	253,718.49	1,664,153.07
Hawaii.....	1,019,174.27	880.84	121,073.37	-----	190,569.83	34,588.13	28,890.25	84,588.13	55,000.00	576,880.73	2,111,892.07
Kauai.....	333,332.47	-----	75,923.43	-----	125,678.84	23,033.35	8,146.75	57,045.58	33,000.00	30,594.93	686,755.35
Total, fiscal year 1936.....	5,368,047.94	16,176.67	754,380.34	146.61	1,594,628.50	252,056.18	150,063.83	1,370,960.93	1,884,329.74	1,333,230.32	12,724,021.06
Total, fiscal year 1935.....	5,307,296.20	7,404.39	704,921.98	-----	1,362,258.36	142,014.18	202,598.91	1,314,606.51	1,018,505.90	529,778.63	10,589,485.06
Increase.....	60,751.74	8,672.28	49,458.36	146.61	232,370.14	110,042.00	52,535.08	56,354.42	865,823.84	803,451.69	2,134,536.00
Decrease.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Source and distribution of revenues in the Territory and counties, fiscal year ended June 30, 1936

[Prepared by Territorial auditing department]

	Collected by the Territory					Collected by the counties					Consolidated total	
	General property taxes	Special taxes	Poll taxes	Business-license taxes	Miscellaneous	Vehicle taxes	License fees	Fines and cost	Water and sewer rates	Bond sales and improvement assessments		Miscellaneous
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
For Territorial purposes.....	2,764,565.88	5,143,511.29	499,234.21	2,636,758.89	4,942,726.47							15,986,796.74
For counties' purposes:												
Interest and redemption of Territorial bonds issued for counties' purposes.....	323,399.35			429,615.87	146.61							753,161.83
Interest and redemption of counties' bonds.....	379,324.13			55,879.98								435,204.11
Schools, special fund.....	733,731.41											733,731.41
Contributions as required by law to institutions.....	490,175.50											490,175.50
Contributions to employees' retirement system.....	97,077.50											97,077.50
Other items fixed by law.....	130,050.55											130,050.55
Road fund.....		16,176.67										16,176.67
General purposes.....	3,214,289.50			288,884.49		1,594,628.50	252,056.18	150,063.83	1,370,960.93	1,884,329.74	1,333,230.32	10,068,443.49
Total.....	8,132,613.82	5,143,511.29	515,410.88	3,391,139.23	4,942,873.08	1,594,628.50	252,056.18	150,063.83	1,370,960.93	1,884,329.74	1,333,230.32	28,710,817.80

FINANCES

Bonded debt as at June 30, 1936

[The aggregate outstanding bonded debt is \$33,141,000. All bond issues, excepting serial bonds, are redeemable 10 years prior to maturity, and at par value. Serial bond issues mature in "equal" installments, the first installment not later than 5 years from the date of issuance and the last installment not later than 30 years from date of issuance. All bonds are coupon in form, interest payable semiannually. Both interest and principal are payable at Bankers Trust Co. in New York City, or at the Territorial treasury in Honolulu. All bond issues are a direct obligation of the Territory of Hawaii. Principal and interest constitute a charge upon the consolidated revenues. Except from all taxes in the Territory and United States except estate and inheritance taxes. Eligible as security for postal-savings funds and other deposits of Government funds.]

Date of issue	Original issue	Rate of interest	Term of years	Callable date	Maturity date	General description	Total outstanding
May 15, 1916	\$1,750,000	Percent 4	20-30	May 15, 1936	May 15, 1946	Refunding par, A, \$1,000, B, \$500	\$1,750,000
Aug. 1, 1917	1,500,000	4	20-30	Aug. 1, 1937	Aug. 1, 1947	Public improvement, par \$1,000	1,500,000
Sept. 15, 1919	1,500,000	4 1/2	20-30	Sept. 15, 1939	Sept. 15, 1949	do.	1,500,000
Sept. 15, 1920	2,400,000	4 1/2	20-30	Sept. 15, 1940	Sept. 15, 1950	do.	2,400,000
Dec. 15, 1920	200,000	4 1/2	20-30	Dec. 15, 1940	Dec. 15, 1950	do.	200,000
Dec. 31, 1920	600,000	4 1/2	20-30	Dec. 31, 1940	Dec. 31, 1950	Public improvement, par, B, \$1,000	600,000
June 1, 1922	1,350,000	4 1/2	20-30	June 1, 1942	June 1, 1952	Public improvement, par \$1,000	1,350,000
Oct. 1, 1923	1,800,000	4 1/2	20-30	Oct. 1, 1943	Oct. 1, 1953	do.	1,800,000
Do	75,000	4 1/2	20-30	do.	do.	Hawaiian home lands, par \$1,000	75,000
Apr. 1, 1924	2,285,000	4 1/2	20-30	Apr. 1, 1944	Apr. 1, 1954	Public improvement, par \$1,000	2,285,000
Oct. 1, 1925	2,590,000	4 1/2	20-30	Oct. 1, 1945	Oct. 1, 1955	do.	2,590,000
May 1, 1926	1,540,000	4 1/2	20-30	May 1, 1946	May 1, 1956	Public improvement, par, A, \$1,000	1,540,000
Oct. 15, 1926	1,805,000	4 1/2	20-30	Oct. 15, 1946	Oct. 15, 1956	Public improvement, par, B, \$1,000	1,805,000
Jan. 15, 1927	385,000	4 1/2	20-30	Jan. 15, 1947	Jan. 15, 1957	Public improvement, par, A, \$1,000	385,000
Nov. 15, 1927	50,000	4 1/2	20-30	Nov. 15, 1947	Nov. 15, 1957	Public improvement, par, C, \$1,000	50,000
Do	2,750,000	4 1/2	(1)	May 15, 1936/56	May 15, 1936/56	Public improvement, par, A, \$1,000	2,750,000
May 15, 1928	1,575,000	4 1/2	(1)	May 15, 1937/57	May 15, 1937/57	do.	1,575,000
Feb. 1, 1929	1,175,000	4 1/2	(1)	Feb. 1, 1937/58	Feb. 1, 1937/58	Public improvement, par, B, \$1,000	1,175,000
Nov. 15, 1929	1,945,000	4 1/2	(1)	Nov. 15, 1936/58	Nov. 15, 1936/58	Public improvement, par \$1,000	1,945,000
June 30, 1931	235,000	4 1/2	(1)	June 30, 1937/60	June 30, 1937/60	Public improvement, par \$1,000	235,000
Mar. 1, 1932	405,000	4 1/2	(1)	Mar. 1, 1937/60	Mar. 1, 1937/60	do.	405,000
Sept. 1, 1935	3,000,000	4 1/2	(1)	Sept. 1, 1940/44	Sept. 1, 1940/44	Refunding, par, A, \$1,000	3,000,000
Do	1,430,000	1 1/2	(1)	Sept. 1, 1939/44	Sept. 1, 1939/44	Refunding, par, B, \$1,000	1,430,000
Dec. 1, 1935	1,750,000	3	(1)	Dec. 1, 1940/64	Dec. 1, 1940/64	Public improvement, par \$1,000	1,750,000

1 Serial.

Assessed value of real and personal property, 1936, by taxation divisions

Taxation division	Real property	Personal property	Total, 1936	Total, 1935	1936, percent decrease
First, city and county of Honolulu.....	\$229, 774, 506	\$41, 793, 718	\$271, 568, 224	\$271, 590, 866	0.008
Second, county of Maui.....	24, 871, 006	12, 572, 294	37, 443, 300	38, 382, 615	2.447
Third, county of Hawaii.....	29, 662, 094	13, 394, 856	43, 056, 950	45, 856, 901	6.105
Fourth, county of Kauai.....	15, 733, 867	10, 670, 502	26, 404, 369	27, 735, 430	4.799
Total for Territory.....	300, 041, 473	78, 431, 370	378, 472, 843	383, 565, 812	1.327

Tax rates

Year	First division, city and county of Honolulu	Second division, counties of Maui and Molokai	Third division, county of Hawaii	Fourth division, county of Kauai	Year	First division, city and county of Honolulu	Second division, counties of Maui and Molokai	Third division, county of Hawaii	Fourth division, county of Kauai
1912.....	\$1. 10	\$1. 15	\$1. 18	\$1. 16	1925.....	\$2. 796	\$2. 966	\$3. 127	\$2. 703
1913.....	1. 115	1. 10	1. 23	1. 16	1926.....	3. 337	3. 390	3. 511	2. 950
1914.....	1. 17	1. 29	1. 38	1. 26	1927.....	3. 497	3. 491	3. 793	3. 225
1915.....	1. 265	1. 44	1. 523	1. 385	1928.....	3. 526	3. 712	4. 136	3. 359
1916.....	1. 273	1. 332	1. 42	1. 415	1929.....	3. 769	3. 764	4. 317	3. 430
1917.....	1. 21	1. 26	1. 30	1. 35	1930.....	3. 794	3. 722	4. 308	3. 481
1918.....	1. 83	1. 50	1. 865	1. 81	1931.....	4. 003	3. 935	4. 341	3. 631
1919.....	1. 83	1. 74	1. 83	1. 788	1932.....	4. 011	4. 099	4. 558	3. 487
1920.....	2. 29	2. 11	2. 264	2. 364	1933.....	2. 887	3. 633	4. 008	2. 487
1921.....	2. 57	2. 94	2. 74	2. 90	1934.....	3. 026	3. 933	4. 501	2. 915
1922.....	2. 89	3. 16	3. 25	3. 02	1935.....	2. 994	4. 106	4. 758	3. 602
1923.....	3. 067	3. 274	3. 488	3. 265	1936.....	3. 098	3. 964	4. 924	1 3. 088
1924.....	2. 747	2. 804	2. 792	2. 468					

¹ Pending decision of Supreme Court.

Taxes collected by years ending June 30, since organization of Territorial government

Fiscal year	Real property	Personal property	Specific property	Personal (poll)
1901.....	\$444, 059. 63	\$490, 392. 69	\$18, 751. 36	\$249, 604. 00
1902.....	532, 637. 09	571, 248. 69	20, 412. 19	231, 485. 00
1903.....	560, 456. 31	592, 325. 37	22, 591. 60	255, 043. 00
1904.....	618, 890. 81	607, 589. 82	22, 998. 80	240, 736. 00
1905.....	609, 343. 72	570, 654. 55	23, 543. 50	249, 990. 00
1906.....	961, 433. 76	928, 841. 53	47, 989. 70	243, 955. 00
1907.....	654, 737. 94	631, 326. 36	39, 644. 40	239, 001. 00
1908.....	640, 051. 42	635, 265. 81	41, 350. 50	244, 832. 00
1909.....	668, 721. 89	678, 886. 40	40, 968. 00	235, 520. 00
1910.....	709, 943. 35	720, 252. 68	46, 554. 50	248, 663. 00
1911.....	766, 429. 68	733, 806. 45	49, 734. 95	241, 915. 00
1912.....	893, 331. 32	821, 518. 95	56, 030. 55	243, 058. 00
1913.....	1, 037, 200. 82	915, 470. 52	64, 626. 21	242, 307. 30
1914.....	1, 068, 267. 52	868, 613. 53	74, 913. 10	286, 246. 55
1915.....	1, 200, 618. 75	928, 231. 86	89, 817. 75	267, 890. 00
1916.....	1, 378, 454. 92	1, 092, 683. 27	110, 230. 97	265, 636. 05
1917.....	1, 547, 872. 50	1, 224, 552. 02	152, 572. 99	275, 432. 65
1918.....	1, 967, 550. 23	1, 510, 659. 70	205, 901. 57	279, 215. 07
1919.....	2, 413, 759. 22	1, 849, 389. 76	211, 236. 98	284, 084. 34
1920.....	2, 938, 876. 04	2, 433, 058. 01	267, 283. 89	283, 772. 59
1921.....	3, 745, 258. 54	3, 125, 408. 76	327, 929. 70	311, 857. 34
1922.....	4, 195, 855. 54	3, 247, 178. 95	40, 988. 81	375, 449. 26
1923.....	4, 726, 256. 01	3, 508, 124. 57	24, 439. 84	399, 851. 64
1924.....	5, 223, 536. 47	3, 771, 054. 83	19, 774. 88	422, 868. 98
1925.....	5, 677, 116. 14	3, 661, 922. 75	18, 254. 77	426, 188. 21
1926.....	6, 524, 984. 97	3, 839, 322. 61	3, 396. 97	417, 650. 60
1927.....	7, 578, 693. 78	4, 188, 192. 51	479. 20	410, 901. 65
1928.....	8, 075, 089. 38	4, 279, 091. 34	28. 80	420, 920. 41
1929.....	8, 330, 407. 03	4, 285, 581. 67	-----	433, 658. 00
1930.....	8, 625, 826. 63	4, 452, 718. 27	-----	444, 752. 15
1931.....	8, 899, 721. 50	4, 745, 134. 40	-----	453, 557. 91
1932.....	8, 031, 305. 92	4, 414, 152. 83	-----	445, 562. 55
1933.....	6, 082, 406. 18	2, 185, 124. 54	-----	500, 723. 37
1934.....	5, 094, 300. 25	1, 357, 785. 22	-----	472, 734. 27
1925.....	5, 291, 907. 54	2, 699, 508. 99	-----	486, 178. 29
1936.....	5, 485, 963. 24	2, 740, 666. 83	-----	514, 679. 82

Taxes collected by years ending June 30, since organization of Territorial government—Continued

Fiscal year	Income, general ¹	Income, special ¹	Business excise	Utilities excise	Unemploy- ment
1901					
1902	\$286,630.20				
1903	202,526.44				
1904	170,511.71				
1905	155,978.87				
1906	391,366.65				
1907	187,687.91				
1908	266,241.74				
1909	389,500.94	\$4,324.29			
1910	435,984.40	377,694.27			
1911	421,375.68	379,698.89			
1912	488,415.96	442,336.29			
1913	513,386.40	422,094.39			
1914	397,496.33	116,162.54			
1915	373,349.09	165,524.72			
1916	592,259.58	268,369.85			
1917	799,800.86	367,920.35			
1918	794,427.22	343,121.14			
1919	625,073.76	283,281.75			
1920	634,206.95	417,331.02			
1921	1,149,339.98	945,203.34			
1922	1,148,528.34	643,925.67			
1923	878,181.35	1,200.15			
1924	1,784,705.39	9,930.81			
1925	1,997,093.48	8.95			
1926	1,799,189.08				
1927	1,526,672.30				
1928	1,707,184.75				
1929	1,870,818.14				
1930	1,944,832.02				
1931	1,740,095.21				
1932	1,382,189.15				
1933	946,442.88		\$1,001,098.96	\$311,731.57	
1934	916,224.18		2,065,482.37	662,320.44	\$452,406.90
1935	1,189,353.60		2,297,574.49	683,757.35	496,476.93
1936	1,871,361.49		1,342,976.96	714,125.40	567,987.99

Fiscal year	Bank excise	Gross income	Radio	Consump- tion	Penalties, cost and interest ²
1901					\$9,294.58
1902					11,847.92
1903					13,385.20
1904					15,848.97
1905					16,509.18
1906					13,709.59
1907					21,435.83
1908					17,697.93
1909					19,137.76
1910					17,262.86
1911					14,657.90
1912					14,658.02
1913					11,158.27
1914					25,728.79
1915					9,640.85
1916					15,107.43
1917					14,705.43
1918					12,181.75
1919					16,175.54
1920					20,950.70
1921					27,467.37
1922					23,446.98
1923					31,164.85
1924					43,069.32
1925					48,400.93
1926					63,428.93
1927					61,045.81
1928					69,957.09
1929					50,350.54
1930					76,398.64
1931					75,736.49
1932					50,455.72
1933	\$8,783.93				47,369.56
1934	22,947.18				40,697.66
1935	43,500.31				44,907.10
1936	50,005.00	\$2,550,320.59	\$14,536.00	\$228.74	62,588.78

¹ Including penalties, costs, and interest, inclusive of 1934.² Except on income taxes, inclusive of 1934.

Taxes collected by years ending June 30, since organization of Territorial government—Continued

Fiscal year	Inheritance	Insurance	Total
1901-----	\$939.29	\$3,223.65	\$1,216,265.20
1902-----	6,074.34	3,846.00	1,664,181.43
1903-----	1,393.33	4,685.11	1,652,406.45
1904-----	70.00	4,623.38	1,681,269.49
1905-----	6,271.71	6,883.59	1,639,175.12
1906-----	5,879.69	8,760.61	2,601,930.53
1907-----	8,789.74	14,202.74	1,796,825.92
1908-----	21,430.05	13,978.38	1,880,847.83
1909-----	17,011.88	26,564.55	2,080,635.71
1910-----	150,153.11	20,141.87	2,726,650.04
1911-----	38,383.59	21,173.76	2,667,175.90
1912-----	187,974.95	25,420.95	3,173,644.99
1913-----	19,421.64	30,909.13	3,256,574.58
1914-----	30,634.00	30,385.34	2,898,447.70
1915-----	53,543.58	30,168.92	3,108,785.52
1916-----	171,303.05	33,321.18	3,927,366.30
1917-----	19,852.44	38,357.87	4,441,067.11
1918-----	76,676.75	48,718.70	5,238,452.13
1919-----	44,777.82	58,066.53	5,785,845.70
1920-----	406,562.81	64,292.21	7,466,334.22
1921-----	83,606.35	89,223.23	9,805,293.61
1922-----	88,358.28	87,230.99	9,850,962.82
1923-----	153,593.24	75,977.54	9,798,789.19
1924-----	62,954.09	74,063.54	11,411,958.31
1925-----	125,402.34	112,771.83	12,067,159.40
1926-----	166,149.08	101,751.22	12,915,873.46
1927-----	133,456.12	104,436.90	14,003,878.27
1928-----	215,127.34	116,701.79	14,884,100.90
1929-----	116,286.38	122,074.16	15,209,175.92
1930-----	174,793.94	122,548.53	15,841,870.18
1931-----	298,671.03	132,508.48	16,345,425.02
1932-----	213,430.30	89,087.25	14,026,183.72
1933-----	128,835.21	194,336.04	11,406,852.24
1934-----	198,644.27	136,681.07	11,420,223.81
1935-----	146,138.69	141,184.54	13,520,487.74
1936-----	148,636.98	161,945.06	16,226,022.88

BANKS

Seven banks, with 24 branches, were in operation in the Territory at the close of the fiscal year June 30, 1936. These seven, with main offices in Honolulu, were Bank of Hawaii, Bishop National Bank of Hawaii, American Security Bank, Liberty Bank, Pacific Bank, Sumitomo Bank, and Yokohama Specie Bank. Of these seven, three, namely: Bank of Hawaii, Bishop National Bank of Hawaii, and American Security Bank, maintain branches in various parts of the Territory, to wit: On the island of Oahu, Bank of Hawaii at Pearl Harbor, Waipahu and Waialua, Bishop National Bank of Hawaii at Schofield and Waialua; on the island of Maui, Bank of Hawaii at Wailuku, Lahaina and Paia, Bishop National Bank of Hawaii at Kahului and Wailuku; on the island of Hawaii, Bank of Hawaii at Hilo, Honokaa, Kohala, Kealahakua and Pahala, Bishop National Bank of Hawaii at Hilo and Kealahakua; on the island of Kauai, Bank of Hawaii at Lihue and Kapaa, Bishop National Bank of Hawaii at Waimea and Koloa, American Security Bank at Kapaa; on the island of Lanai, Bishop National Bank of Hawaii at Lanai City. All of said banks and their branches have both commercial and savings departments.

TRUST COMPANIES

Seven trust companies were operating in the Territory, six being located in Honolulu and one in Hilo.

Deposits in banks since organization of Territorial government

Fiscal year	Number of banks	Demand deposits Dec. 31	Time deposits June 30	Total
1901.....	8	\$3,857,413.16	\$804,718.01	\$4,662,131.17
1902.....	9	4,094,919.90	1,073,581.56	5,168,501.46
1903.....	9	3,694,965.00	1,102,707.24	4,797,672.24
1904.....	9	4,159,078.89	1,372,157.00	5,531,235.89
1905.....	9	3,993,052.90	1,695,326.76	5,688,379.66
1906.....	9	5,022,495.26	2,527,943.96	7,550,439.22
1907.....	11	4,966,042.04	2,777,554.40	7,743,596.44
1908.....	11	5,074,836.16	2,588,722.87	7,663,559.03
1909.....	11	6,334,991.42	3,322,827.79	9,657,819.21
1910.....	11	9,033,385.97	4,290,919.57	13,324,305.54
1911.....	16	10,289,707.89	5,020,555.62	15,310,263.51
1912.....	17	12,667,162.39	5,521,973.11	18,189,135.50
1913.....	17	11,641,901.30	5,384,395.72	17,026,297.02
1914.....	18	10,371,874.60	6,275,790.63	16,647,665.23
1915.....	19	12,378,041.53	7,736,569.32	20,114,610.85
1916.....	19	17,317,339.40	9,061,910.28	26,379,249.68
1917.....	22	22,486,524.31	10,205,496.70	32,692,021.01
1918.....	23	24,620,004.80	9,892,708.08	34,512,712.88
1919.....	26	24,898,287.81	10,450,846.55	35,349,134.36
1920 ¹	26	36,975,335.93	15,807,778.11	52,783,114.04
1921.....	31	32,545,538.38	18,635,866.41	51,181,404.79
1922.....	28	28,379,489.19	17,863,992.17	46,243,481.36
1923.....	29	31,616,007.38	21,765,731.51	53,381,738.90
1924.....	29	33,257,399.55	29,238,363.06	62,495,762.61
1925.....	29	39,101,344.22	21,708,371.75	60,809,715.97
1926.....	29	44,861,828.81	22,989,564.24	67,851,393.05
1927.....	29	47,922,072.59	27,102,219.88	75,024,292.47
1928.....	31	48,931,629.35	31,278,434.34	80,210,063.69
1929.....	31	43,614,424.66	35,424,194.59	79,038,619.25
1930.....	29	46,232,391.03	33,942,357.47	80,174,748.50
1931.....	29	42,217,616.83	41,587,979.74	83,805,596.57
1932.....	31	38,653,331.79	35,030,829.73	73,684,161.52
1933.....	31	38,303,127.06	36,032,334.45	74,335,461.51
1934.....	30	40,869,840.08	35,082,104.56	75,951,944.64
1935.....	31	46,743,557.25	37,159,777.16	83,903,334.41
1936.....	31	39,920,831.84	54,987,012.48	94,907,844.32

¹ Commencing with the year 1920, commercial deposits are quoted as of June 30.

Savings bank accounts by races June 30, 1936

Races	Population			Accounts		Deposits		
	Estimated June 30, 1936	Percent of pop- ulation	Percent having ac- counts	Num- ber	Percent to total	Average de- posit	Total	Percent to total deposits
Japanese.....	149,886	38.11	44.94	67,356	39.58	\$161.95	\$10,908,114.40	26.70
Chinese.....	27,495	6.99	60.23	16,559	9.73	246.89	4,088,271.08	10.01
Hawaiian.....	59,202	15.05	29.40	17,408	10.23	72.40	1,260,285.59	3.09
Portuguese (Caucasian).....	29,863	7.59	44.91	13,411	7.88	268.89	3,606,052.70	8.83
Filipino.....	53,550	13.62	36.13	19,348	11.37	215.91	4,177,418.07	10.23
Other Caucasian and un- classified.....	73,281	18.64	49.24	36,086	21.21	465.93	16,813,454.99	41.15
Total.....	393,277	100.00	-----	170,168	100.00	238.66	40,853,596.83	100.00

Estimated population.....	393,277
Number of banks.....	31
Number of savings accounts.....	170,168
Number of accounts per 100 persons.....	43.27
Total savings.....	\$40,853,596.83
Average savings per capita.....	\$103.88

Comparative statement of condition of banks and trust companies operating in the Territory of Hawaii, as at June 30, 1936, Dec. 31, 1935, and June 30, 1935

	7 banks with 24 branches June 30, 1936	7 trust com- panies June 30, 1936	38 combined banks and trust com- panies June 30, 1936	38 combined banks and trust com- panies Dec. 31, 1935	38 combined banks and trust com- panies June 30, 1935
RESOURCES					
Loans and discounts.....	\$31,243,930.51	\$9,052,295.88	\$40,296,226.39	\$31,108,152.13	\$34,086,264.70
Overdrafts.....	75,231.27		75,231.27	45,986.30	133,198.11
Trust and agency debit balance.....		1,112,523.81	1,112,523.81	9,058,396.14	10,198,042.57
United States obligations.....	24,751,408.15		24,751,408.15	23,157,657.61	18,643,761.53
All other stocks and bonds.....	21,947,398.27	959,656.91	22,907,055.18	22,188,945.57	21,295,704.25
Banking house, furniture, and fixtures.....	2,899,591.56	416,865.03	3,316,456.59	2,685,327.98	2,762,260.17
Other real estate owned.....	501,867.72	1,320,749.39	1,822,617.11	1,845,726.37	1,806,713.51
Other resources.....	5,557,700.60	386,328.00	5,944,028.60	6,716,449.71	6,788,113.52
Cash and due from bank, cash items, clearing, etc.....	24,273,906.35	2,239,700.14	26,513,606.49	31,510,415.89	22,273,568.39
Total resources.....	111,251,034.43	15,488,119.16	126,739,153.59	128,317,057.70	117,987,626.75
LIABILITIES					
Deposits:					
Demand.....	25,559,517.82		25,559,517.82	32,376,186.95	25,561,479.64
Time.....	53,743,947.57		53,743,947.57	49,128,033.13	48,799,489.49
Government.....	12,367,239.88		12,367,239.88	10,649,071.03	7,860,017.68
All other.....	3,237,139.05		3,237,139.05	1,867,234.37	1,682,347.60
Total deposits.....	94,907,844.32		94,907,844.32	94,020,525.48	83,903,334.41
Trust and agency credit bal- ances.....		6,194,484.42	6,194,484.42	8,240,481.33	6,825,900.87
Bills payable.....	562.42	168,085.74	168,648.16	193,134.62	611,040.21
Other liabilities.....	4,741,062.63	245,831.47	4,986,894.10	5,336,268.64	5,434,116.63
Paid-in capital.....	5,900,000.00	3,938,700.00	9,838,700.00	10,185,000.00	10,542,179.70
Surplus and undivided profits.....	4,123,222.98	2,654,402.47	6,777,625.45	6,762,628.84	6,699,175.82
Reserves.....	1,578,342.08	2,286,615.06	3,864,957.14	3,579,018.79	3,971,879.11
Total liabilities.....	111,251,034.43	15,488,119.16	126,739,153.59	128,317,057.70	117,987,626.75

NOTE.—1 bank (with 9 branches) is a national institution.

Recapitulation of insurance business transacted in the Territory of Hawaii for the year 1935

Class	Insurance written	Premiums	Losses paid	Loss ratio
Fire.....	\$129,282,386.75	\$1,126,628.32	\$107,667.93	9.55
Marine.....	129,096,321.00	345,962.52	48,995.55	14.16
Life.....	19,373,525.00	5,217,513.90	2,282,734.44	43.75
Accident and health.....		135,315.29	42,779.44	31.61
Automobile and motor vehicle.....	11,089,966.00	840,369.14	351,573.66	41.83
Burglary and theft.....		20,729.16	329.77	1.59
Fidelity and surety.....		222,442.36	41,889.09	18.83
Plate glass.....		7,825.33	1,666.58	21.29
Property damage other than auto.....		5,017.04	141.04	2.81
Workmen's compensation.....		454,201.40	236,927.51	52.16
Others.....	8,874,448.00	111,552.47	15,533.29	13.92
Total, 1935.....	297,716,646.75	8,487,556.93	3,130,238.30	36.68
Total, 1934.....	276,666,605.87	7,579,970.67	2,183,996.83	28.81
Increase, 1935.....	21,050,040.88	907,586.26	946,241.47	8.07

Number of companies engaged in the various types of insurance as of Dec. 31, 1935

Accident.....	21
Accident and health, noncancelable.....	22
Automobile, all types.....	23
Burglary and theft.....	16
Fidelity.....	18
Fire.....	96
Health.....	15
Liability other than auto.....	18
Life.....	22
Marine.....	24
Others, including civil commotion, earthquake, inland navigation, package, sprinkler leakage, steam boiler, tornado, windstorm, and cyclone.....	38
Plate glass.....	11
Property damage other than auto.....	13
Surplus lines.....	3
Surety.....	19
Workmen's compensation.....	16

Consolidated statement of fund resources and obligations at the close of the fiscal year ended June 30, 1936

[Prepared by Territorial auditing department]

Account	Expendable funds			Total expend- able funds	Working-capi- tal funds (revolving funds)	Public trust fund (em- ployees' re- tirement fund)	Sinking fund	Consolidated total
	General fund	Special expend- able funds	Loan funds					
A. Resources:								
1. Available cash.....	\$1,310,501.18	\$1,006,469.01	\$99,066.31	\$2,416,036.50	\$390,049.04	\$139,707.11	\$368,811.57	\$3,314,604.82
2. Estimated revenues:								
(a) Accrued and to be collected.....	4,415,041.81			4,415,041.81				4,415,041.81
(b) To be accrued or collected.....	8,506,261.69			8,506,261.69				8,506,261.69
3. Bonds authorized and unissued.....			3,272,238.07	3,272,238.07				3,272,238.07
4. Due from other funds.....	169,478.23	14,000.00		183,478.23				
5. Investments:								
(a) Territory of Hawaii bonds (par value).....		65,000.00		65,000.00	125,000.00	295,000.00	2,568,000.00	3,053,000.00
(b) Loans to counties.....			8,071,092.61	8,071,092.61				8,071,092.61
(c) Other investments (par value).....	3,313.46	8,000.00		11,313.46	823,396.57	6,093,200.00	5,148,000.00	12,075,910.03
Total.....	14,404,596.37	1,093,469.01	11,442,396.99	26,940,462.37	1,333,446.21	6,850,910.10	8,483,591.64	42,708,149.03
Less unavailable resources, fiscal year 1937.....	1,143,261.73			1,143,261.73				1,143,261.73
Total current resources.....	13,261,334.64	1,093,469.01	11,442,396.99	25,797,200.64	1,338,446.21	6,850,910.10	8,483,591.64	41,564,887.30
B. Obligations:								
1. Unexpended appropriations:								
(a) Unallotted appropriations.....	10,383,137.75		3,272,640.94	13,655,778.69		323,002.99	398,750.07	14,377,561.75
(b) Unexpended allotments.....	154,600.17		86,263.44	240,863.61		4.08		240,867.69
(c) Reserves for contracts.....	18,770.77	10,521.16		30,291.93				30,291.93
2. Reserves:								
(a) For redemption of term bonds.....	648,000.00		4,005,574.91	4,005,574.91				12,994,662.93
(b) For redemption of serial bonds.....			4,077,917.70	4,077,917.70				4,725,917.70
(c) For expenses of the 1937 legisla- ture.....	100,000.00			100,000.00				100,000.00
(d) For contingent appropriations.....	148,960.00			148,960.00				148,960.00
(e) For school teachers' salary fund.....	68,543.34			68,543.34				68,543.34
(f) For reimbursement of taxes.....	41.71			41.71				41.71
(g) For benefit of members of the re- tirement system.....								
3. Due to other funds.....	735,783.06	161,804.29		897,587.35	7,673.94	6,527,003.03		6,527,903.03
Total current obligations and re- sources.....	12,258,830.80	172,825.45	11,442,396.99	23,873,559.24	7,673.94	6,850,910.10	9,387,868.09	39,214,750.08
C. Estimated surplus June 30, 1937.....	1,002,497.84			1,002,497.84				1,002,497.84
D. Surplus June 30, 1936.....		921,143.56		921,143.56	1,330,772.27		904,276.45	1,347,636.38

Consolidated statement of operations, fiscal year ended June 30, 1936—Continued

RECEIPTS—Continued

Character of receipt	Expendable funds			Total expend- able funds	Working capital funds— revolving funds	Public trust fund— employees' retirement fund	Sinking fund	Consolidated total	Percent distribu- tion of revenue receipts
	General fund	Special ex- pendable funds	Loan fund						
B. NONREVENUE RECEIPTS									
76. From debt obligations:									
(a) Funded or fixed:									
(c) Revenue loans	\$1,961,116.51		\$6,180,000.00	\$6,180,000.00			\$42,063.00	\$6,222,063.00	
79. From sale of investments	12,182.60	\$83,690.24		1,961,116.51				1,961,116.51	
79a. From repayment of loans to counties				100,872.84			2,742,007.50	4,263,433.90	
80. From sales of stores and materials purchas- ed for resale			297,185.21	297,185.21	\$73,013.96	\$1,347,544.60		297,185.21	
81. From offsets to outlay payments	54,760.92	37,160.82		91,921.74	508.39			92,430.13	
82. From counterbalancing receipts:	100.00			100.00				100.00	
(a) Accrued interest on original issue of bonds	2,760.01			2,760.01				2,760.01	
(b) Balancing payments of accrued inter- est on investments purchased									
(c) Receipts in error	238.14	22,015.00		22,253.14		15,215.39	39,111.09	54,326.48	
(d) Correction of erroneous payments	8,942.15	121,492.19	46,912.90	177,347.24	33.81	791.22	18.71	22,274.66	
(e) Reimbursible expenditures	1,708.48	139.14		1,847.62	7,415.72			178,172.27	
Total nonrevenue receipts	2,041,808.81	269,497.39	6,524,098.11	8,835,404.31	80,971.88	1,363,554.02	2,823,200.30	13,103,130.51	
C. TRANSFER RECEIPTS									
83. Nonrecoverable transfers from other funds	874,138.60	40,852.12		914,990.72	10,000.00		425,525.22		
84. Borrowings and repayments from other funds	1,874,410.00	1,075,310.00	439,070.00	3,388,790.00	366,530.00				
Total transfer receipts	2,748,548.60	1,116,162.12	439,070.00	4,303,780.72	376,530.00				
Total receipts	17,223,490.37	3,184,398.41	7,502,301.75	27,910,190.53	616,776.81	2,466,802.01	3,519,510.29	29,089,927.25	
D. AVAILABLE CASH AT BEGINNING OF YEAR	311,821.62	649,094.34	60,217.57	1,021,133.53	335,786.06	231,077.51	1,762,978.77	3,350,975.87	
Grand total	17,535,311.99	3,833,492.75	7,562,519.32	28,931,324.06	952,562.87	2,697,879.52	5,282,489.06	32,440,903.12	

PAYMENTS

Object of payment	Expendable funds			Total ex- pendable funds	Working- capital funds, revolv- ing funds	Public- trust fund, Employ- ees' retire- ment fund	Sinking fund	Operation and main- tenance	Outlays	Consoli- dated total	Percent distribu- tion of cost pay- ments
	General fund		Loan funds								
	Special ex- pendable funds										
A. FOR GOVERNMENTAL COSTS											
I. General government											
14. Legislative:											
(a) Legislature.....	\$12, 143.41			\$12, 143.41				\$12, 143.41		\$12, 143.41	\$0.10
(b) Legislative investigation.....	118.76			118.76				118.76		118.76	
15. Chief executive.....	19, 180.65	\$15, 850.00		35, 030.65				30, 655.65	\$4, 375.00	35, 030.65	.28
16. Finance:											
(a) Auditor or comptroller.....	60, 419.63			60, 419.63				58, 602.62	1, 817.01	60, 419.63	.48
(b) Special accounting and auditing:											
2. Accounts of minor civil divisions.....	6, 690.50			6, 690.50				6, 690.50		6, 690.50	.05
(c) Treasurer.....	44, 573.33			44, 573.33				43, 874.21	699.12	44, 573.33	.36
(d) Assessment and levy of revenue.....	180, 253.39			180, 253.39				176, 600.52	3, 652.87	180, 253.39	1.44
(e) Collection of revenue.....	148, 808.31			184, 680.98				179, 717.57	4, 963.41	184, 680.98	1.48
(f) Other finance.....	17, 321.27	35, 872.67		17, 321.27				16, 985.87	335.40	17, 321.27	.14
17. Law.....	33, 964.31			33, 964.31				31, 400.16	2, 564.15	33, 964.31	.27
18. General executive:											
(a) Secretary of Territory.....	10, 573.38	10, 311.15		20, 884.53				20, 026.28	858.25	20, 884.53	.17
(b) Board of control.....	15, 703.69			15, 703.69				15, 595.69	108.00	15, 703.69	.13
19. Judicial:											
(a) Supreme court.....	28, 664.47	30, 500.00		59, 164.47				55, 207.70	3, 956.77	59, 164.47	.47
(b) All other.....	574.75			574.75				574.75		574.75	
20. Elections.....	612.77			612.77				612.77		612.77	
21. General government buildings.....	99, 335.70	130.00		99, 465.70				79, 652.89	19, 812.81	99, 465.70	.79
Total.....	678, 933.32	92, 663.82		771, 602.14				728, 459.35	43, 142.79	771, 602.14	6.16
II. Protection to person and property											
24. Fire marshal or commissioner.....	10.00			10.00				10.00		10.00	
26. Militia and armories.....	54, 436.41	186, 740.45		241, 176.86				227, 740.27	13, 436.59	241, 176.86	1.93
26a. Fish and game warden.....	17, 580.47	3, 092.58		20, 673.05				20, 503.05	170.00	20, 673.05	.16

Consolidated statement of operations, fiscal year ended June 30, 1936—Continued

PAYMENTS—Continued

Object of payment	Expendable funds		Total expendable funds	Working-capital funds, revolving funds	Public-trust fund, employees' retirement fund	Sinking fund	Operation and maintenance	Outlays	Consolidated total	Percent distribution of cost payments
	General fund	Special expendable funds								
A. FOR GOVERNMENTAL COSTS—Con.										
II. Protection to person and property—Continued										
28. Regulation of—										
(a) Financial institutions.	\$27,856.64		\$27,856.64				\$27,555.64	\$301.00	\$27,856.64	\$0.22
(b) Other corporations:										
1. Insurance companies.	2,444.21		2,444.21				2,388.46	55.75	2,444.21	.02
2. Public service corporations.	15,241.59	\$15,949.50	31,191.09				31,075.63	115.46	31,191.09	.25
(c) Professional occupations:										
1. All other.	3,693.96		3,693.96				3,693.96		3,693.96	.03
2. Labor.	15,175.84	3,100.00	18,275.84				15,122.64	153.20	15,275.84	.12
(d) Other activities.	19,405.59		19,405.59				18,861.16	544.43	19,405.59	.15
29. Other protection to person and property: (c) All other.	164,784.31		164,784.31				154,577.56	10,206.75	164,784.31	1.32
Total	297,529.47	228,982.08	526,511.55				501,528.37	24,983.18	526,511.55	4.20
III. Conservation of health, and sanitation										
30. Supervision	28,233.34		28,233.34				27,899.06	334.28	28,233.34	.23
31. Vital statistics	13,018.07		13,018.07				12,675.57	342.50	13,018.07	.10
32. Prevention and treatment of communicable diseases:										
(a) Tuberculosis:										
1. In territorial institutions.	1,626.77		1,626.77				845.71	781.06	1,626.77	.01
2. All other.	269,690.12		269,690.12				268,773.66	916.46	269,690.12	2.15
(b) All other.	720,209.35	306.76	720,516.11				589,787.00	130,729.11	720,516.11	5.75
33. Conservation of child life.	58,032.55		58,032.55				57,843.45	189.10	58,032.55	.46
34. Food regulation and inspection.	7,747.58		7,747.58				7,657.90	89.68	7,747.58	.06
34a. Regulation of professional occupations.	228.19	3,122.47	3,350.66				3,251.66	99.00	3,350.66	.03
34b. Other conservation of health.	94,786.87	7,399.54	102,186.41				98,210.36	3,976.05	102,186.41	.82
Total	1,193,572.84	10,828.77	1,204,401.61				1,066,944.37	137,457.24	1,204,401.61	9.61

IV. Development and conservation of natural resources

35. Agriculture:	13,577.92	123,211.24	13,577.92	13,134.70	443.22	13,577.92	.11
(a) Supervision.....	---	---	---	---	---	---	.08
(c) Extension service.....	---	---	---	---	---	---	.58
(d) Experiment stations.....	---	66,598.53	66,598.53	61,755.55	4,842.98	66,598.53	.53
(e) Livestock.....	45,686.31	---	45,686.31	43,020.63	2,665.41	45,686.31	.37
(f) All other.....	36,690.17	---	36,690.17	36,258.53	430.64	36,690.17	.20
36. Forestry.....	59,321.54	5,400.02	64,730.56	53,066.40	11,664.16	64,730.56	.52
37. Fish and game.....	3,334.04	21,048.60	24,382.64	21,841.84	2,540.80	24,382.64	.19
39. Other development and conservation.....	25,767.25	32,894.19	58,661.44	57,891.35	770.09	58,661.44	.47
Total.....	184,386.23	249,161.58	433,547.81	402,469.06	31,098.48	433,567.54	3.46
V. Highways							
41. Roadways: (a) Built and maintained by Territory.....	302.06	138,602.09	\$7,047.16	91,424.35	54,526.96	145,951.31	1.16
VII. Charities, hospitals, and corrections							
CHARITIES							
47. Care of poor: (b) All other.....	12,000.00	---	12,000.00	12,000.00	---	12,000.00	.10
48. Care of children:	32,312.98	---	32,312.98	31,828.23	484.75	32,312.98	.26
(a) In Territorial institutions.....	525.00	---	525.00	525.00	---	525.00	---
(b) All other.....	---	---	---	---	---	---	---
49. Care of blind, deaf, and mule: (a) in Territorial institutions.....	75,421.04	---	75,421.04	54,720.82	20,700.22	75,421.04	.60
HOSPITALS							
52. Special:	393,085.77	---	393,085.77	305,654.19	87,431.58	393,085.77	3.14
(a) Insane: 1. Territory.....	259,136.59	---	259,136.59	101,000.22	159,136.09	260,136.31	2.07
(b) Feeble-minded.....	---	---	---	---	---	---	---
CORRECTIONS							
53. For adults.....	275,429.15	---	275,429.15	194,079.25	81,349.90	275,429.15	2.20
54. For minors.....	139,822.24	6,749.98	146,572.17	137,197.86	9,374.31	146,572.17	1.17
55. Pardon and parole boards and officers.....	13,776.98	---	13,776.98	13,670.21	106.77	13,776.98	.11
Total.....	1,201,509.75	6,749.98	1,208,259.68	850,673.78	358,583.62	1,209,256.40	9.65
VII. Education							
56. Schools:							
(a) Supervision.....	84,852.67	---	84,852.67	83,858.52	994.15	84,852.67	.08
(b) Universities.....	292,736.42	404,808.48	697,544.90	504,851.48	192,693.42	697,544.90	5.56
(c) Public schools.....	4,632,413.06	118,667.53	4,751,080.59	4,080,083.70	670,996.89	4,751,080.59	37.91
57. Libraries: (a) Territory.....	150,661.87	1,477.20	152,139.07	124,967.26	27,181.81	152,139.07	1.21
Total.....	5,160,666.02	524,963.21	5,685,619.23	5,399,750.96	285,868.27	5,685,619.23	45.36

Consolidated statement of operations, fiscal year ended June 30, 1936—Continued

PAYMENTS—Continued

Object of payment	Expendable funds			Total expendable funds	Working-capital funds, revolving funds	Public-trust fund, employees retirement fund	Sinking fund	Operation and maintenance	Outlays	Consolidated total	Percent distribution of cost payments
	General fund	Special expendable funds	Loan funds								
A. FOR GOVERNMENTAL COSTS—Con.											
<i>VIII. Recreation</i>											
58. Educational.....		\$5,719.39		\$5,719.39				\$5,716.42	\$2.97	\$5,719.39	\$0.05
59. General.....	\$47,589.74	7,946.48		55,536.22				12,224.73	43,311.49	55,536.22	.44
60. Parks and reservations.....		1,950.00		1,950.00					1,950.00	1,950.00	.02
60a. Monuments and monument commissions.....	11,828.00			11,828.00						11,828.00	.09
Total.....	59,417.74	15,615.87		75,033.61				29,769.15	45,264.46	75,033.61	.60
<i>IX. Miscellaneous</i>											
61. Pensions and gratuities to former employees.....	31,117.39			31,117.39		\$261,358.35		292,475.74		292,475.74	2.33
62. Aid to special classes:											
(a) Soldiers and sailors: 1. All other.....	2,430.00			2,430.00				2,430.00		2,430.00	.02
(c) All other.....	2,182.81	274,118.74		276,301.55	\$11,6705.93	74,726.12		408,916.53	58,817.07	467,733.60	3.73
63. Administration of public trust funds and investments.....	70,051.77			70,051.77	2,827.06	27,390.50	\$816.12	30,258.43	775.25	31,033.68	.25
65. Unclassified.....	5,856.62	13,575.38		19,432.00				70,051.77		70,051.77	.56
66. Undistributed.....								19,735.00		19,735.00	.16
Total.....	111,638.59	287,997.12		399,635.71	119,532.99	363,474.97	816.12	823,867.47	59,592.32	883,459.79	7.05
Total divisions I to IX.....	8,887,961.02	1,555,554.47	\$7,047.16	10,450,562.65	120,552.44	363,474.97	816.12	9,894,888.86	1,040,517.32	10,935,406.18	87.25
<i>X. Public service enterprises</i>											
Board of harbor commissioners.....	168,708.04		56,504.10	225,212.14				168,269.82	56,942.32	225,212.14	1.80

75. Interest:	XI. Interest				
(a) On funded debt	1,356,946.94			1,356,946.94	10.82
(c) On revenue loans	16,202.52			16,202.52	.13
Total	1,373,149.46			1,373,149.46	10.95
Total payments for governmental costs	10,429,818.52	1,555,554.47		816.12	11,985,372.99
B. FOR NONGOVERNMENTAL COSTS					
76. For debt obligations:					
(a) Funded or fixed	382,000.00	4,417,600.00			4,799,600.00
(b) Floating	100.00	100.00			100.00
(c) Revenue loans	2,711,116.51	2,711,116.51			2,711,116.51
To other civil divisions		1,660,000.00			1,660,000.00
77. For investments purchased					
78. For purchases of stores and materials for resale	54,760.92	37,100.82	91,921.74		7,060,198.62
80. For purchases of stores and materials for resale					92,430.13
82. Counterbalancing payments					
(a) Balancing receipts of accrued interest on original issue of bonds	2,760.01		2,760.01		2,760.01
(b) Accrued interest on investments purchased	238.14	22,015.00	22,253.14	15,215.39	39,111.09
(c) Correction of erroneous receipts	8,942.15	121,492.19	177,347.21	2.81	18.71
(d) Payments in error	2,122.89	139.14	2,262.03	791.22	178,172.27
(e) Reimbursable expenditures					27,323.66
Total payments for non-governmental costs	3,142,040.62	180,807.15	6,124,512.90	37,756.35	16,592,530.52
C. TRANSFERS					
83. Nonrecoverable transfers to other funds	772,041.67	21,852.12	836,318.85	37,673.94	54,326.48
84. Borrowings and repayments to other funds	1,880,910.00	1,068,810.00	439,070.00	3,388,790.00	26,502.84
Total transfer payments	2,652,951.67	1,090,662.12	1,275,388.85	404,203.94	178,172.27
Total payments	16,224,810.81	2,827,023.74	7,463,453.01	145.81	27,323.66
D. AVAILABLE CASH AT CLOSE OF YEAR	1,310,501.18	1,006,469.01	99,066.31		29,126,298.30
Grand total	17,535,311.99	3,833,492.75	7,562,519.32	28,981,324.06	3,314,604.82

TERRITORIAL RETIREMENT SYSTEM

The board of trustees held 26 meetings, 12 regular and 14 special.

There has been no change in the pension roll of former teachers retired under chapter 31, Revised Laws of Hawaii, 1925, and who were made beneficiaries of this system by paragraph (a), section 7928, Revised Laws of Hawaii, 1935.

The legislative permanent pension roll provided for under Act 261, Session Laws, 1925, and indefinitely continued under Act 31, Session Laws, 1927, was reduced by four on account of death.

Refund of accumulated contributions, with interest at 4 percent compounded annually, were made to members on account of resignations and dismissals and on account of death on 410 claims amounting to \$105,812.64.

The net membership in the system as of June 30, 1936, was 5,929; being an increase over the previous year of 777.

COMMERCE

Total values of imports and exports of merchandise by countries, calendar year 1935

Countries	Imports	Exports
Argentina.....	\$12,950
Australia.....	27,363	\$42,593
Belgium.....	71,296	1,020
British India.....	829,182	2,747
British Malaya.....	44,244	3,610
Canada.....	597,308	94,526
China.....	176,729	9,450
Chile.....	307,641
France.....	36,380
Germany.....	208,397
Hong Kong.....	413,158	272,179
Kwangtung.....	28,126	4,423
Netherlands.....	2,928	850
New Zealand.....	168,961	11,934
Norway.....	51,847	12
Japan.....	2,209,704	37,633
Philippine Islands.....	260,239	262,391
Sweden.....	8,760	57,980
United Kingdom.....	131,246	512,537
Uruguay.....	8,590
Other countries.....	34,147	24,142
Total.....	5,629,196	1,338,027
Shipments from United States to Hawaii.....		\$78,924,776
Imports from foreign countries.....		5,629,196
Total.....		84,553,972
Shipments to United States from Hawaii.....		98,695,969
Exports to foreign countries.....		1,338,027
Total.....		100,033,996
Commerce.....		184,587,968

Domestic products shipped to the United States, calendar year 1935

Articles	Unit of quantity	Quantity	Dollars
Alcohol.....	Gallon.....	311, 413	153, 762
Citric acid.....	Pound.....	845, 710	220, 963
Coffee.....	do.....	5, 399, 330	613, 637
Fiber insulating board.....	do.....	14, 347, 372	443, 278
Fish, canned, etc.....	do.....	3, 426, 487	582, 391
Fruits:			
Bananas.....	Bunch.....	98, 926	96, 511
Pineapples, fresh.....	Box.....	53, 283	97, 857
Pineapples, canned.....	Pound.....	436, 800, 865	28, 239, 449
Other fruits, preserved.....	do.....	39, 623	11, 050
Hides and skins.....	do.....	1, 502, 137	122, 816
Molasses.....	Gallon.....	28, 5 9, 553	697, 436
Pineapple juice.....	Pound.....	103, 529, 320	5, 647, 112
Pineapple stock feed.....	do.....	5, 870, 181	53, 644
Sugar, refined.....	1,000 pounds.....	30, 117	1, 476, 085
Sugar, raw.....	do.....	1, 840, 971	57, 203, 688
United States goods returned.....			2, 715, 177
Other articles.....			281, 441
Total.....			98, 656, 297

Domestic products exported to foreign countries, 9 months, April-December 1935

Articles	Unit of quantity	Quantity	Dollars
Coffee, green.....	Pound.....	2, 567, 845	291, 248
Coffee, roasted.....	do.....	6, 912	1, 946
Fiber insulating board.....	Square foot.....	2, 943, 602	60, 778
Pineapples, canned.....	Pound.....	5, 988, 955	390, 262
Machinery, sugar.....			260, 748
Molasses.....	Gallon.....	7, 701, 666	210, 861
Other articles (including foreign).....			122, 184
Total.....			1, 338, 027

Receipts from all sources for the year ending June 30, 1935

Total customs receipts.....	\$1, 716, 786. 27
Total other treasury receipts.....	62, 234. 02
Total treasury receipts.....	1, 779, 020. 29
Total commerce receipts (including tonnage tax).....	61, 171. 07
Total labor receipts (including head tax).....	16, 289. 00
Total receipts, all sources.....	1, 856, 480. 36

UNITED STATES INTERNAL REVENUE SERVICE

The total amount of money collected in the Territory of Hawaii by the United States Internal Revenue Service since the organization of the Territorial government is \$144,225,220.20. Total disbursements during the same period, including salaries, incidental expenses, and refunds, have been \$1,215,515.55, leaving net collections of \$143,009,704.65.

Internal-revenue receipts and disbursements, fiscal years 1935 and 1936

	1935	1936
Collections on lists:		
Corporation income tax.....	\$2,636,608.60	\$3,491,640.14
Individual income tax.....	1,608,986.83	2,267,905.22
Estate tax.....	313,229.81	367,058.69
Gift tax.....	5,759.78	710,215.42
Distilled spirits.....	1,993.11	2,380.80
Narcotics.....	3,599.00	758.00
Processing tax:		
Wheat.....	3,144.07	6,889.27
Cotton.....	24,468.99	12,922.27
Jute.....	430.49	19.91
Field corn.....	14.12	9.52
Hogs.....	62,984.72	31,798.03
Tobacco.....	4,210.69	2,379.44
Rice.....	4,711.10	35,048.68
Sugar.....	51,871.28	17,932.94
Peanuts.....	1,279.84	1,215.05
Miscellaneous.....	77.03	.36
Dividend tax.....	4,442.76	4,108.73
Capital-stock tax.....	378,733.84	385,598.60
Excess-profits tax.....	11,835.83	26,080.95
Miscellaneous income taxes.....	8,280.13	28,067.91
Miscellaneous.....	5,657.03	2,081.04
Social-security tax.....		10,760.10
Tobacco.....	1,763.42	1,785.76
Cigars and cigarettes.....	108.22	173.32
Special taxes.....	32,238.99	31,947.02
Documentary stamps.....	60,145.75	63,288.97
Documentary stamps—Stock transfers.....	3,581.24	3,659.73
Playing-card stamps.....	2,672.40	2,897.20
Distilled spirits—Tax paid.....	20,070.68	40,920.62
Rectified spirits.....	1,169.67	2,516.67
Distilled-spirit bottle stamps.....	2,660.79	3,799.31
Grape brandy.....		545.38
Wine stamps.....	6,298.25	7,485.36
Fermented-liquor stamps.....	171,188.09	201,181.62
Tax on matches.....	22,716.96	36,829.59
Tax on electrical energy.....	84,560.01	89,210.42
Tax on telephone calls.....	5,972.85	6,540.30
Manufacturers' excise taxes.....	7,238.46	5,935.95
Admissions and dues taxes.....	58,261.97	75,367.68
Leases on safe deposit boxes.....	1,682.94	1,735.83
Tax on checks, drafts, and money orders.....	37,730.77	
Tax on yachts and boats.....		
Tax on soft drinks.....	110.83	
Opium order forms.....	12.70	13.60
Silver bullion, transfer of ownership interests.....	.02	.03
Total receipts.....	5,652,504.06	7,980,700.63
Total disbursements, including salaries, incidental expenses, etc.....	62,145.37	58,910.51
Total.....	5,590,358.69	7,921,790.12

HONOLULU POSTAL SERVICE

Postal business transacted at Honolulu for the fiscal year ended June 30, 1936

Domestic money orders issued.....	\$2,123,771.92
Domestic money orders paid.....	\$1,701,289.36
International money orders issued.....	\$75,456.01
International money orders paid.....	\$7,607.84
International money orders certified to Japan.....	\$224,941.38
International money orders certified to China.....	\$1,329.76
International money orders certified to New Zealand.....	\$2,236.56
International money orders certified to Australia.....	\$2,324.22
Articles registered.....	78,798
Articles insured.....	100,608
Articles sent c. o. d.....	48,085
Gross postal receipts for the fiscal year.....	\$677,890.98

POPULATION AND RACE STATISTICS

The population of Hawaii on June 30, 1936, as estimated by the bureau of sanitation of the board of health, was 393,277.

The first census of the Hawaiian Islands was taken in 1832 and was followed by censuses in 1836, 1850, 1853, and 1860. These were very simple and rudimentary in character. There was no provision for taking a census at regular periods until 1865, when the legislative assembly made it the duty of the board of education to make a complete census of the Kingdom every sixth year, counting from the year 1860. These were taken until 1896, and in 1900 the first Federal census was taken.

Population of Hawaii, 1832 to 1930

1832.....	130, 313	1866.....	62, 959	1896.....	109, 020
1836.....	106, 579	1872.....	56, 897	1900.....	154, 001
1850.....	84, 165	1878.....	57, 985	1910.....	191, 909
1855.....	73, 138	1884.....	80, 578	1920.....	255, 912
1860.....	69, 800	1890.....	89, 990	1930.....	368, 336

Based upon the 1930 census of the United States, the distribution of the population on June 30, 1936, by area, race, and citizenship, was estimated by the board of health to be as follows:

Estimated population by area, June 30, 1936

City of Honolulu.....	145, 875
City and county of Honolulu (exclusive of Honolulu city).....	70, 986
City of Hilo.....	15, 885
County of—	
Hawaii (exclusive of Hilo city).....	61, 948
Kalawao.....	517
Kauai.....	37, 985
Maui.....	60, 081
Total.....	393, 277

Estimated population according to race and citizenship, June 30, 1936

Racial classification	Citizens	Aliens	Total
Hawaiian.....	21, 594	-----	21, 594
Caucasian-Hawaiian.....	19, 391	-----	19, 391
Asiatic-Hawaiian.....	18, 217	-----	18, 217
Portuguese.....	28, 109	1, 754	29, 863
Puerto Rican.....	7, 470	-----	7, 470
Spanish.....	1, 036	225	1, 261
Other caucasian.....	55, 466	1, 603	57, 069
Chinese.....	22, 768	4, 727	27, 495
Japanese.....	110, 759	39, 127	149, 886
Korean.....	4, 157	2, 525	6, 682
Filipino.....	14, 478	39, 072	53, 550
Others.....	767	32	799
Total.....	304, 212	89, 065	393, 277

COMMERCIAL AVIATION

The Inter-Island Airways, Ltd., established in 1929, owns and operates a fleet of Sikorsky amphibian planes engaged exclusively in the transportation of passengers, mail, and express between the islands of the Hawaiian group.

Regular schedules are maintained daily, except Sunday, from Honolulu to the islands of Molokai, Lanai, Maui, and Hawaii, also to the island of Kauai.

The operating personnel consists of 5 pilots, 5 copilots, and a ground force of 14.

Equipment consists of three 9-passenger Sikorsky amphibians, type S. 38, and two 16-passenger Sikorsky amphibians, type S. 43.

The total miles flown during the year ending June 30, 1936, is 322,747 and passengers carried during the same period amounted to 15,630, an increase over 1935 of 30,642 miles flown and 3,732 passengers carried.

PUBLIC LAND ADMINISTRATION

The collections by the office of the commissioner of public lands, from all sources, for the fiscal year July 1, 1935, to June 30, 1936, totaled \$794,317.50, an increase of \$11,695.56. Of this amount \$584,406.21 was for land rentals; \$111,198.50 was for water and land licenses; \$78,690.24 was for sales of public lands; \$13,943.04 was for interest on sales of public lands; \$3,528.59 was for fees; \$2,195.92 was for miscellaneous revenue; and \$355 was for improvements on land.

The public lands of the Territory of Hawaii have an estimated total area of 1,588,430 acres. These lands, with the exception of areas set aside for special public purposes, are administered by the commissioner of public lands and are homesteaded, sold, leased, or exchanged, in accordance with the provisions of section 73 of the Hawaiian Organic Act, as amended.

The results of the more important activities of the office of the commissioner of public lands, during the year, are summarized in the following statements:

Land-patent grants.—Eighty-eight land-patent grants were issued, covering a total area of 222,728 acres, valued at \$64,234.27.

Deeds.—One hundred and twenty deeds to and from the Territory were executed during the year.

Auction sales.—Twenty-eight auction sales were advertised. Sixty-seven general leases, covering a total area of 26,784.541 acres were offered for sale at a total upset rental of \$9,819.50 and sold for \$10,375.50, an increase of \$556 over the upset price.

BOARD OF COMMISSIONERS OF AGRICULTURE AND FORESTRY

Expenditures made during the fiscal year to carry out the various duties and functions of the department have been as follows:

From general fund appropriation.....	\$173, 449. 45
From special funds.....	35, 802. 26
Total expenditures.....	209, 251. 71

DIVISION OF FORESTRY

The progress of forest management during the period under review has greatly advanced with the aid of the Emergency Conservation Work program and in many lines of endeavor the results have been doubled. In general, the work of trail construction to make planting areas accessible has largely been completed, and attention has been concentrated on tree production and reforestation.

During the past fiscal year 2,324,429 trees were planted on 5,406 acres of denuded Government lands in forest reserves on the four main islands. For this purpose and to supply the demands of other tree planters 2,644,629 trees were raised and distributed from the five nurseries of this division. On 5,641 acres of planted forests the trees have been cultivated to promote vigorous growth. The accomplishments in this field were twice those of the previous year.

DIVISION OF ENTOMOLOGY

Work in applied entomology along similar lines to those followed in previous years has been carried on throughout the year. The staff of workers has been added to and really increased somewhat beyond its previous size, with the ample funds provided by the last legislature. The entomologist and chief plant inspector has been absent on leave most of the year, engaged in foreign field exploration work (fruit fly, mealybug and scale enemies collecting, directed and supervised for the A. A. A. by the U. S. Bureau of Entomology).

The main work in the pest-control division has been attending to the reception and handling of the foreign introductions.

Plant-inspection and quarantine is concerned principally with the enforcement of plant-inspection statutes and the rules promulgated pursuant thereto governing the importation of all horticultural material to the islands, the administration of the quarantines, imposed by the Federal Government under the Plant Quarantine Act, on foreign plants and plant products, the regulation and control of feral animal importations.

There follows a statistical account of the work of this division

Inspections:

Number vessels inspected, freight and passenger carriers.....	949
Number passengers disembarked.....	38, 390
Number baggage parcels carried.....	149, 760

Horticultural material dealt with:

Number lots passed as free from pests.....	3, 150, 222
Number lots fumigated or treated otherwise.....	6, 480
Number lots prohibited material destroyed.....	917
Number lots refused entry.....	621

Interisland traffic:

Number lots passed when complying with regulations.....	30, 544
Number lots treated previous to certification.....	488

DIVISION OF FISH AND GAME

In carrying on the wildlife conservation program, this division has devoted its best efforts to conserving and fostering the fish and game supply of the Territory.

As in the past, the success of this work is largely dependent on the efficient performance of their duties by the wardens. These men are responsible not only for the enforcement of the law, but also are required to collect fees, issue licenses, disseminate information regarding the various phases of the work to the fishermen, hunters, and others in their districts and gather statistics necessary to the framing and enactment of laws essential to maintain and increase the supply of fish and game.

During the fiscal year closed the wardens helped to collect \$14,353 in fishing license fees and made 485 arrests which resulted in \$4,687 in fines and bail forfeitures being collected.

During the previous year the number of birds raised to liberation age was approximately 1,700. This year the number of chicks hatched was slightly over 7,000. In addition to pheasants, guinea fowl, pea fowl, valley quail, and chukar partridge are now being raised at the farm and some of these will be liberated on each of the islands during the year.

The catch of fish brought to the markets has been about equal to the catch of the previous year.

The revenues collected during the fiscal year by this division were as follows:

Sale of fish, tags, numbers, etc.....	\$2, 223. 30
Hunting licenses (all islands).....	7, 478. 50
Commercial fishing licenses.....	14, 353. 00
Total.....	24, 054. 80

DIVISION OF ANIMAL INDUSTRY

On account of the adequate provision made by the last legislature it was possible to reinstate in the service at the beginning of the fiscal year four deputy veterinarians who had been previously dropped from the service on account of lack of funds and this has enabled the division to function in a more efficient manner than during the previous year.

The animal quarantine station has been practically rebuilt under the personal direction of the president of the board and with the assistance of Federal relief funds. As a result of these improvements the confidence and good feeling of the dog owners has been gained, and much of the antagonism formerly displayed by importers of dogs has disappeared.

During the fiscal year just closed 16,514 head of cattle were tuberculin tested.

Three thousand eight hundred and forty-seven more cattle were tested than during the previous year with 67 less reactors, and the percentage of reactors was reduced from 1.17 percent to 0.49 percent. This is the lowest percentage of tuberculosis recorded in the islands to date.

Livestock imported into the Territory during the fiscal year

Horses.....	84	Cats.....	15
Mules.....	40	Crates of poultry.....	1, 627
Cattle.....	410	Goats.....	2
Swine.....	14	Sheep.....	1
Dogs.....	180	Various.....	885

DIVISION OF BACTERIOLOGY AND PATHOLOGY

During the fiscal year 11,137 examinations were made of animal material forwarded from the several islands. These examinations disclosed 293 cases of infectious disease, 93 cases of parasitic disease, 13 cases of noninfectious disease, and 10,596 examinations which were negative for the diseases for which they were studied.

Material from swine, dogs, cats, horses, chickens, goats, and other animals was studied and in many of the samples diseased conditions found. Anthrax was demonstrated in culture from a pustule on the hand of Dr. Weight, one of the deputy veterinarians on Maui, and from a pustule on the arm of a cattle foreman. Both recovered with little difficulty.

HAWAII AGRICULTURAL EXPERIMENT STATION

The Hawaii Agricultural Experiment Station operates under the joint supervision of the University of Hawaii and the United States Department of Agriculture.

During the past few years increasing attention has been paid to crops which might be grown profitably in addition to sugarcane and pineapples. The quota restrictions on sugar and the self-imposed quota on pineapples, limit expansion of these crops while constantly increasing yields tend to release areas of arable land. A few small ventures here and elsewhere indicate that there are decided possibilities for economical production of Macadamia nuts, taro, papaya products, tomatoes, passion fruit, asparagus, and for increasing beef production in the Territory. Only by painstaking research have the two principal industries been made profitable and it can well be expected that new ventures must receive the same subsidy. The two splendid private research stations were established to work upon their respective crops by the plantations growing these crops. It, therefore, devolves upon the Hawaii Agricultural Experiment Station as a joint Territorial and Federal agency to conduct studies and obtain information for the small farmer and plantation alike which may lead to the economical establishment of diversified farming and development of new industries.

With greater financial support and increased personnel, it has been possible for this station to start a number of new activities or lines of study. These include plant pathology, food processing, rodent control, parasitology, and animal nutrition. Activities of the station now permeate the entire Territory by reason of the 20 or so animal and field experiments being carried on cooperatively with governmental and private agencies.

AGRICULTURAL ADJUSTMENT ADMINISTRATION FUNDS

Funds have been obtained from the Agricultural Adjustment Administration which set aside approximately 10 percent of the processing taxes collected on sugar for the benefit of agriculture in the islands. Prior to invalidation of the act on January 6, 1936, the following tax fund orders and projects were approved and inaugurated:

Tax fund order	Name of project	Amount
No. 1.....	Soil survey.....	\$7,500
No. 2.....	do.....	7,500
No. 3.....	Fruit-fly control.....	80,000
No. 4.....	Taro investigations.....	50,000
No. 5.....	Liver fluke eradication.....	40,000
No. 6.....	Rat abatement campaign.....	110,000
No. 7.....	Development of truck farming and improvement of marketing facilities for farm products.....	60,000
No. 8.....	Development of livestock feeds.....	70,000
No. 9.....	Development of tropical fruits and nuts.....	50,000
No. 10.....	Promotion of poultry industry.....	30,000

The soil survey of the Territory, tax fund orders 1 and 2, is conducted by the Bureau of Chemistry and Soils and investigations relating to the Mediterranean fruit fly by the Bureau of Entomology and Plant Quarantine. Projects 4 to 10, inclusive, were assigned to the Hawaii Agricultural Experiment Station for administration. Invalidation of portions of the Agricultural Adjustment Act in January terminated disbursements of these funds but the unexpended portion of the allotted moneys was subsequently reappropriated in the Second Deficiency Act, Public, No. 440, and station activities on these projects were resumed. The allotments were originally set up for 1 year's activity but are now being spread over a period of approximately 15 to 20 months, and will terminate during the spring and summer of 1937.

STATION EXPANSION AND INCREASED PERSONNEL¹

Total expenditures by the station during the year ending June 30, 1936, amounted to \$215,357.05 compared to \$93,066 during the previous year. The increased funds made possible the engagement of a number of well-trained, young, and active investigators and an expansion of personnel from 10 full-time and 7 part-time during 1935 to 47 full-time and 14 part-time technical employees during the past year.

LAND AND BUILDINGS ACQUIRED

On August 1, 1935, the offices of the experiment station were transferred to the new agricultural building erected on the university campus. This two-story, concrete-block building has a floor space of approximately 14,400 square feet and is used by the agricultural experiment station and the Agricultural Extension Service. In addition to the main office, four department heads of the station have their offices in this building. There is also a laboratory for instruction in soils and a chemical laboratory.

On February 28, 1936, an area of 30.766 acres of Territorial land was set aside for the use of the station by Governor's proclamation, no. 695. This land is situated on the main highway midway between Wahiawa and Waialua, and has been used for pineapple and sugarcane culture. It will be available to the station at the expiration of the present lease on August 30, 1937. Irrigation water is available and the area to be known as Poamoho Farm will be used for investigations on soils, truck crops, and some tree crops.

PUBLIC WORKS DEPARTMENT

Expenditures of funds under jurisdiction of the superintendent of public works for the fiscal year are divided as follows:

Department of public works:

General funds.....	\$136, 111. 65	
Revolving funds.....	18, 649. 10	
Trust funds.....	1, 273. 32	
		<hr/> \$156, 034. 04

Territorial highway department:

Loan funds.....	52, 359. 93	
Special funds.....	132, 894. 38	
Trust funds.....	166, 098. 79	
Federal funds.....	1, 094, 658. 43	
Revolving (maintenance) funds.....	92, 826. 16	
		<hr/> 1, 538, 837. 69

Total..... 1, 694, 871. 73

Following are some of the more important activities of the department of public works for the year ending June 30, 1936:

ISLAND OF OAHU

Construction of a disturbed patients' ward, a female convalescent ward, and a male convalescent ward for the Territorial hospital for the insane, for the sum of \$165,839, of which \$46,300 was contributed from P. W. A. funds, known as Federal Docket No. 8018.

Construction of a hot-water system and additions and replacements in the boiler room for the Territorial hospital for the sum of \$23,347.

Construction of an animal house for the Federal experiment station, Kalihi Hospital, Honolulu, for the sum of \$4,379.

At Oahu Prison the following were completed:

Unit for incorrigibles and additions to mess building.....	\$102, 675. 30
Refrigeration plant in kitchen.....	6, 000. 00
Equipment for kitchen addition.....	3, 603. 00
Equipment for kitchen addition.....	1, 513. 00
Addition to the kitchen.....	28, 401. 50

At Waimano Home the following were completed:

New unit for boys (of which \$53,200 was Federal grant, Federal Docket No. 8029).....	177, 341. 00
Furnishing and installing in the pump house, a hydro-pneumatic pumping plant for fire protection and irrigation purposes, and a water softener for softening the domestic water supply.....	4, 430. 00
Furnishing and installing in the storeroom 2 storage refrigerator cabinets complete with self-contained refrigerating units.....	1, 595. 00
Repairing and reroofing the roofs of the buildings.....	4, 220. 99

Construction of a dormitory and classroom building for the school for deaf and blind at Waikiki, for the sum of \$11,152.

ISLAND OF MOLOKAI

Construction of a mental ward and patients' cottages at Kalaupapa, Molokai, for the sum of \$6,699.

All the above work has been either completed or is progressing satisfactorily.

TERRITORIAL HIGHWAY DEPARTMENT

All activities of the Territorial highway department are in connection with Territorial highways that are built entirely or partly with Federal funds. These activities are supervised for the Federal Government by the United States Bureau of Public Roads through its principal highway engineer, who has an office in Honolulu. Highways are also built with Territorial funds in which the Federal Government may not participate in the costs.

Each separate Federal fund allotted to this Territory must be spent under the particular regulations applicable to that fund. To date, Federal funds have been spent on the approved Federal-aid highway system and upon secondary highways, which the Secretary of Agriculture has approved as proper feeder roads to the system.

The various Federal funds allotted to date are shown in the following table listing all Federal funds allotted to the Territory for highway purposes through the Bureau of Public Roads, July 1, 1925, to June 30, 1936, and consist of—

Post road funds (regular Federal aid).

Advance to States.

Emergency relief funds.

United States public works highway fund, 1934.

United States public works highway fund, 1935.

1935 Emergency relief funds for highways, roads, and streets.

1935 Emergency relief fund for elimination of hazards at railroad crossings.

The post road funds (regular Federal aid) have to be matched by funds from Territorial sources of an equal amount. The emergency funds do not have to be matched with Territorial money.

The Federal funds can only be used to participate in the costs incurred after the actual start of construction. All costs, such as the preparation of plans and specifications, surveys, purchase of rights-of-way, payment of damages, cost of maintaining a Territorial highway organization and costs of certain items of construction not eligible for Federal participation have to be paid entirely out of Territorial funds. Therefore, in the expenditure of any Federal funds, the Territory must bear a portion of the final costs and in the use of post road funds the Territorial share of the cost is in excess of the Federal share.

Table showing all Federal funds allotted to the Territory for highway purposes through the Bureau of Public Roads, July 1, 1925, to June 30, 1936

Total post road funds (regular Federal aid) allotted to Territory 1925-33-----	\$4, 026, 787. 96
Lapsed on June 30, 1930-----	\$326, 864. 96
Transferred to Hawaii special fund-----	880, 000. 00
Repayment of advance to States-----	80, 000. 00
	<hr/> 1, 286, 864. 96
Net total post road funds available to Territory-----	2, 789, 923. 00
Post-road allotment for 1935-36-----	609, 375. 00
Post-road allotment for 1936-37-----	609, 375. 00
	<hr/>
Total-----	3, 958, 673. 00
Advance to States-----	400, 000. 00
Emergency relief funds-----	600, 000. 00
Hawaii special fund-----	880, 000. 00
U. S. Public Works highway fund, 1934-----	1, 871, 062. 00
U. S. Public Works highway fund, 1935-----	949, 778. 00
1935 emergency relief fund for highways, roads, and streets-----	926, 033. 00
1935 emergency relief fund for elimination of hazards at railroad crossings-----	453, 703. 00
	<hr/>
Total, all Federal funds allotted to Territory-----	10, 039, 249. 00

Act 203, S. L. 1935, provided for the sale of bonds to raise funds for highway purposes which totaled \$1,845,000. Of this total amount \$500,000 is contained in item 12 for the Waianae-Waialua road. Balances in this latter fund may be expended only after the Waianae-Waialua road is completed. This road is not on the system eligible to receive Federal-aid participation from post-road funds.

AVIATION

The Territorial airports have been maintained and improved partly from maintenance funds of the Territory, from F. E. R. A. labor and materials, and with prison labor.

With the increasing size and speed of aircraft, it is becoming more necessary that major improvement be made on all fields owned by the Territory, particularly on Hawaii, Maui, and Kauai.

BOARD OF HARBOR COMMISSIONERS

The condition of the finances of the board of harbor commissioners have shown a material improvement over that of last year when there was a deficit of some \$40,000. This year there is a surplus of approximately \$65,000 to which should be added a chargeable rental of space to other governmental agencies of some \$16,000 or a total surplus of some \$81,000 of earnings over expenses.

This has been brought about by savings in interest charges due to refinancing, by increased business, and by a definite effort to obtain revenues from the various facilities available.

The total revenues for the year were \$889,625.20, an increase of \$42,159.91 over the previous year.

The total number of vessels arriving from overseas at ports operated by the board was 1,227 with a gross tonnage of 10,623,529. This shows an increase of 16 vessels and 221,417 gross tons.

Expenditures from the general fund were \$169,511.98 and from the loan fund \$56,616.64 making a total from both funds of \$226,128.62.

Following are brief résumés of some of the more important activities of the board:

ISLAND OF OAHU

Kapalama railroad tracks.—With the abandonment by the Oahu Railway & Land Co. of their pier 17, the pineapple tonnage of Libby, McNeill & Libby from Kolo, Molokai, approximately 85,000 tons, previously handled over that pier had to be cared for over Kapalama piers, and in order to do this, it was necessary to construct sufficient trackage to make possible a continuous run of cars over the wharves there.

This was accomplished by the exchange of occupancy and right-of-way privileges between the Oahu Railway & Land Co. and the Territory of certain lands severally owned and the letting of contracts for materials and installation amounting to \$22,568.30.

This, together with the purchase of additional materials, hauling, plans and inspection service, brought the total cost of this installation to \$25,852.93.

Waikiki Beach improvement and reclamation.—Preliminary studies have been made for the improvement and reclamation of Waikiki Beach, so that some comprehensive plan might be available for the consideration of the next legislature.

Yacht harbor.—The board of harbor commissioners has taken over and issued regulations for the conduct of the yacht basin at the entrance to the Ala Wai Canal. The improvements of this locality, consisting of docks and piers, were constructed by the F. E. R. A. The parks department of the city and county expects to have the basin at this locality materially enlarged by dredging, in the near future, on a land-exchange basis.

ISLAND OF HAWAII

Hilo pilot boat.—The engine in the Hilo pilot boat having been in continuous use since 1926 finally broke down. A contract for a new 6-cylinder Buda internal-combustion gasoline engine was entered into for \$1,667 complete and installed.

Fender systems, piers 1-2, Hilo.—The fender systems on piers 1 and 2, Hilo, have reached the stage where extensive repairs and replacements have become necessary. The estimated cost of this work is in the neighborhood of \$6,000. It is not contemplated, however, that the entire work will be completed this year, but it is hoped to put the system in satisfactory condition within a few months.

ISLAND OF MAUI

Kahului sprinkler system.—At pier no. 1, Kahului, a sprinkler system has been installed, financed by the Kahului Railroad Co., for the protection of sugar and other commodities. The savings in insurance rates are such that the system will pay for itself in some 7 years. A similar plan is proposed for pier 1 in Hilo.

ISLAND OF MOLOKAI

A contract for widening and paving the Kaunakakai mole was awarded for \$23,467.42 and has been satisfactorily completed at a cost of \$24,177.57.

ISLAND OF KAUAI

Port Allen pier.—The plans for the Port Allen pier have been held in abeyance in an endeavor to obtain Federal funds. This project will cost about \$630,000, will be self-liquidating, and will greatly improve the handling of sugar and other cargo at this port.

PUBLIC INSTRUCTION

A review of public-school education during the past year shows a number of interesting facts and trends. The responsibilities of the school have been increasing. A higher percentage of children of school age, particularly on the secondary level, are now enrolled. Health services are expanding. Special education for the physically handicapped makes increasing demands. Very recently a rehabilitation program has been added. Problems in social welfare and occupational guidance are being forced more and more into the school. It is expected that children who come from under-privileged homes will find in the school the companionship and supervision necessary to happiness and the best social development. It is no longer possible to think of the school as being interested only in the mental development of the child. As a supplementary agency, it must concern itself with the whole life of the child, even to food and clothing and personal hygiene.

SCHOOL ENROLLMENT

Statistical tables made a part of this report show that the total enrollment in the public and private schools is 99,447. Of this total 85,006 are in the public schools. This is an increase of only 1,687

over the enrollment of a year ago. It is significant that for the first time in the history of the Territorial schools the elementary and grammar grades show an actual decrease in enrollment. There are 257 fewer pupils than a year ago. Only the schools of Maui showed an increase. It is noteworthy that the greatest decrease in any one grade was 451 in grade 1. The intermediate grades show an increase of 761 and the high school, including vocational students, an increase of 1,183. These indicate two significant facts: First, that the school population in the lower grades is decreasing and, second, that the schools are now holding more of the pupils in the upper grades.

This greater holding power is likely due to the increased emphasis on vocational subjects and to the fact that more education is being offered in the rural districts. There are now 34 school communities where the educational offering extends beyond the eighth grade. This tends to give the boy and girl of the rural district more of the opportunities which have heretofore been associated with city life. This trend has had the support of industrial leaders and also of the legislature.

TEACHER TRAINING AND PLACEMENT

The classroom teacher is the most important factor in the schools. Pupil growth is conditioned by the quality of instruction, hence the selection of teachers with adequate professional training becomes the most important administrative function of the department. In its teacher-training program, Hawaii now rates high as compared with mainland standards. Since the amalgamation of the Territorial normal school with the University of Hawaii in 1932, the period of training demanded of applicants for teaching positions has been gradually extended. At the present time it is 5 years of academic and professional work, one semester of which may be probationary teaching. It is now possible to find fifth-year applicants for practically all positions except for a limited number in special fields, such as shop, home economics, and instrumental music. While many teachers of more limited training are rendering excellent service, the value of the more adequate training period is obvious.

VOCATIONAL EDUCATION

Vocational and prevocational work in the public schools has made steady progress and has kept pace with the increased enrollment in the schools.

The following table shows the increase in teachers in the various fields since 1932 that has been necessary to take care of increased enrollments:

Subject	Year			
	1932-33	1933-34	1934-35	1935-36
Vocational agriculture.....	30	34	39	48
Gardening ¹	30	22	33	37
Home economics.....	72	75	78	86
Cafeteria.....	105	110	118	129
Trade shops.....	18	18	19	19
Continuation schools.....		3	4	4
Prevocational shops ¹	60	59	64	65
Total.....	315	321	355	388

¹ In some instances instructors divided time between garden and prevocational shop and are counted in both places.

With the improvement of industrial conditions in the Territory, there has been an increase in the demand for graduates of our various trade classes. In many cases, students are now placed in jobs by the time of their graduation. Each year, more and more men employed in industry are taking advantage of the evening trade classes in order to increase their technical knowledge of trade skills.

The tables which follow supply statistical data in regard to the enrollment in the public and private schools of the Territory.

Number of schools, teachers, and pupils in the territory of Hawaii, June 30, 1936

	Number of schools	Teachers			Pupils		
		Male	Female	Total	Male	Female	Total
Public.....	184	565	2,282	2,847	44,019	40,987	85,006
Private ¹	86	142	444	586	7,723	6,718	14,441
Total.....	270	707	2,726	3,433	51,742	47,705	99,447

¹ From the report of December 1935.

Classification of public school pupils by citizenship, June 30, 1936

	Hawaii	Maui	Oahu	Kauai	Male	Female	Total	Percentage of total
Citizens by birth...	17,578	12,863	45,893	7,927	43,596	40,665	84,261	99.12
Foreign born.....	104	115	397	129	423	322	745	.88
Total.....	17,682	12,978	46,290	8,056	44,019	40,987	85,006	100.00

THE UNIVERSITY OF HAWAII

The enrollment of students continues to increase, there having been 1,383 degree and certificate candidates in 1935-36 as compared with 1,259 in the preceding year. This, however, is not the total number of students, for there were 836 additional not candidates for degrees (extension students, specials, etc.) and 1,037 in the summer session, making a total of 3,256.

Some 286 degrees were awarded at the 1936 commencement, as follows:

Bachelor of arts.....	107	Master of arts.....	18
Bachelor of science.....	55	Master of science.....	10
Bachelor of education.....	90	Master of education.....	6

Certificates were awarded to 49 students who had completed the fifth (post-graduate) year in teachers college. As a result of limiting of enrollment in this department of the university, the supply of new teachers is just about keeping pace with the demand, and there are relatively few graduates not placed. In most other lines, too, this is true. Local business houses and agricultural industries take in all that are graduated in the business and agricultural courses.

FACULTY

To supplement in special fields the work of the regular faculty staff, the university last year invited several noted professors and lecturers from other universities.

The summer session (1936) staff was strengthened by the addition of 11 professors from various mainland universities.

A notable feature of this summer session was the international conference which was assembled to study certain educational problems of special interest in the Pacific area. With financial assistance from the Carnegie Corporation and with the collaboration of Yale University, the University of Hawaii was successful in bringing together about 60 men and women from many parts of the world to spend 6 weeks together in a detailed and careful analysis of various educational problems. A byproduct of this which was of great interest to the people of Hawaii was the presence here of several notable persons who gave public addresses, radio talks, and newspaper interviews.

ADULT EDUCATION

The enrollment in extension courses showed an increase, and much was done to draw together into closer cooperation the many agencies and institutions in the Territory interested in the general field of adult education. A Territorial conference on this subject is being planned for next spring.

AGRICULTURAL EXTENSION

The Agricultural Extension Service was able to carry a much larger program during the year by reason of the fact that Congress provided an increase of more than \$50,000 over previous appropriations for this work. The number of county agents was increased and the entire service extended. Special attention was directed toward the marketing problems of local farmers. A man long experienced in the marketing of fruits and vegetables, Mr. H. H. Warner, of California, was added to the staff and the United States Department of Agriculture sent a specialist to help the farmers understand grade standards, a project financed in part by a special act of the 1935 legislature.

FINANCIAL SUMMARY

The university spent \$327,344.17 appropriated by the legislature, \$200,861.61 from the Federal Treasury and \$253,095.18 derived from student fees, gifts, and miscellaneous sources. Thus, a total of \$781,300.96 was spent for all university functions, including instruction, extension service, research, and the wide variety of other services which this institution performs for the Territory.

It is well to note that only about half of the total support of the university is provided by the legislature, the other half coming from tuition fees, Federal appropriations, and various private sources.

PUBLIC LIBRARIES

LIBRARY OF HAWAII

The restoration of the library appropriation to within 25 percent of the 1931 budget infused new life into the rural extension work. The book car was purchased in the late summer and began its regular schedule of visits to the schools October 1. During the 8 months, from October to May, 82,547 books were circulated to the children of the rural schools by means of this library on wheels.

Palama branch library was opened in July 1935, and has shown a remarkable growth. Forty thousand six hundred and twenty books were circulated to its 1,773 borrowers. The branch is open only 14 hours a week.

The most spectacular achievement of the extension work of the library was the beginning of book service by clipper ship to the Pan-American Airways workers stationed on Midway and Wake Islands. This was arranged by courtesy of the Pan-American Airways and the first shipment was sent on June 22. As the cable ship *Dickinson* continues to take shipments of books every 3 months to the cable station workers on Midway Island, the Library of Hawaii

is now privileged to use the unique slogan, "Books by land, air, and water."

This year the circulation totaled 783,319, a gain of 70,551. This gain was undoubtedly due to the partially restored book funds and to the book car service.

The registered borrowers total 37,624 which amounts to 17 percent of the population of this island. The children borrowing books from the Edna Allyn room total 13,315; 24,309 borrowers use the adult departments. The books reserved at the loan desk totaled 6,247, showing an increase of 2,000 requests for this service. The overdue notices and letters sent out by the loan desk staff amounted to 16,736, an approximate increase of 6,000. The city attorney's office co-operates splendidly in following up and prosecuting delinquent borrowers. During the year that office sent out 38 letters to those who had failed to respond to letters from the library, and issued 22 penal summons.

The public libraries on the islands of Hawaii, Maui, and Kauai also reported substantial gains in circulation, registration, etc.

HAWAII NATIONAL GUARD

The headquarters of the Hawaii National Guard is required to be so organized that the conduct of the affairs of the guard, as required by the laws of Hawaii, the National Defense Act, and the regulations of the National Guard Bureau, may be expeditiously performed, and in addition must carry out the duties pertaining to the administration, training, supply, construction, and transportation normally delegated to a command equivalent to a brigade of infantry. To perform these duties the routine work of this headquarters is divided into the following sections:

1. Personnel.
2. Intelligence.
3. Plans and training.
4. Supply, finance, construction, and transportation.
5. Territorial staff group (medical, legal, administrative, inspection, transportation and supply).

During the past 6 months the demands on this headquarters for information from service records have been particularly heavy, due to the many requests from veterans of the World War for assistance in establishing their identity in order that they could obtain the bonus granted by the Federal Government. The accurate and extensive personnel records maintained by the Hawaii National Guard made it possible to establish the identity of over a thousand veterans.

STRENGTH

The strength allotted the Hawaii National Guard at present is set at 110 commissioned officers, 2 warrant officers, and 1,606 enlisted men. On June 30, 1936, there were 106 commissioned officers and 1,577 enlisted men, distributed as follows:

	298th Infantry	299th Infantry	Territorial Staff and Territorial Detach- ment	Total
Officers.....	51	47	8	106
Enlisted men.....	807	749	21	1,577
Total.....	858	796	29	1,683

The strength of the Hawaii National Guard on June 30, 1936, represents a decrease of 2 commissioned officers, 2 warrant officers, and an increase of 55 enlisted men over that shown on June 30, 1935.

Seven enlisted men hold commissions as second lieutenants in the National Guard of the United States.

NATIVITY REPORT

The nativity report of the Hawaii National Guard as of June 30, 1936, is as follows:

	Officers and warrant officers	Enlisted men		Officers and warrant officers	Enlisted men
Hawaiians.....	8	320	Japanese.....		60
Portuguese.....	7	289	Portuguese-Hawaiians.....	2	49
Chinese.....	5	242	Koreans.....		23
Americans (and other Cau- casians).....	61	167	Spanish.....		17
Caucasian-Hawaiians.....	15	165	Colored and all others.....		17
Chinese-Hawaiians.....	8	136	Filipinos.....		12
Puerto Ricans.....		80	Total.....	106	1,577

INCREASED ALLOTMENT

The National Guard Bureau has allotted to the Hawaii National Guard a third battalion of infantry (less one company), which is to be assigned probably April 1, 1937. This increase in strength will enable units to be placed on the islands of Kauai and Molokai.

FINANCE

During the last year the Federal Government has been very liberal in its financial support of the Hawaii National Guard. Eight complete radio sets; one trailer; one ambulance; eleven 1½-ton trucks and three reconnaissance trucks were received early in the year, as well

as new medical and other equipment, including a 100-percent replacement of web equipment. In addition, Congress authorized the employment of caretakers from Federal funds. These caretakers are primarily intended to protect Federal property and to reduce the large annual losses of property, as well as the losses from deterioration. This year Congress made provision for the establishment of Territorial pool of caretakers, and such a pool has been organized at the Honolulu armory.

FEDERAL FUNDS

(a) Funds expended by the United States property and disbursing officer, Hawaii National Guard, for the Federal Government in the support of the Hawaii National Guard during the fiscal year ending June 30, 1936:

Pay of caretakers.....	\$10,349.25
Expenses, camps of instruction.....	51,133.59
Pay of United States property and disbursing officers.....	1,200.00
Employment of range keepers.....	740.00
N. I. R. construction.....	8,965.46
Miscellaneous.....	1,873.07
Total.....	74,261.37

(b) The following expenditures for the fiscal year 1936 were made from funds allotted to the commanding general, Hawaiian Department, for the support of the Hawaii National Guard:

Armory drill pay.....	\$110,000.00
Expenses of sergeant-instructors, Regular Army.....	2,680.70
Procurement of articles of uniform.....	10,182.98
Procurement of miscellaneous quartermaster equipment, supplies, and repairs.....	2,725.87
Procurement of ordnance equipment, supplies, and repairs.....	5,506.94
Freight charges, camps of instruction.....	1,440.70
Miscellaneous.....	2,045.60

Total.....	134,582.79
Total value of 8 radio transmitting and receiving sets.....	2,660.48
Total value of 11 1½-ton trucks.....	7,644.12
Total value of 1 ambulance.....	975.00
Total value of 1 trailer.....	485.00
Total value of 3 reconnaissance trucks received during year.....	2,280.09

Total.....	14,044.69
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Total Federal funds expended by commanding general, Hawaiian department.....	134,582.79
Total Federal funds expended by United States purchasing and disbursing officer.....	74,261.37

Grand total Federal funds expended fiscal year 1936.....	222,888.85
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TERRITORIAL FUNDS

Territorial funds expended during the fiscal year were as follows:

Personal services.....	\$16, 254. 68
Other current expenses.....	13, 780. 50
Field training pay.....	10, 746. 60
Equipment.....	2, 665. 71
Motor vehicle.....	995. 00
Improvements to buildings.....	10, 432. 13
Structures and permanent improvements (Maui camp site).....	2, 153. 67
Total.....	57, 008. 29

BOARD OF HEALTH

Some of the year's achievements in public health in the Territory of Hawaii are shown by the following:

- (1) A low mortality rate of 8.58 per 1,000 population (8.48 in 1935).
- (2) A record low death rate from tuberculosis, as it dropped from second to third place in the principal causes of death.
- (3) An exceedingly low maternal mortality, the rate being 3.92 as against 4.64 in 1935—really a remarkable record.

Pursuant to the recommendations of the various examining boards, 26 physicians were licensed to practice medicine and surgery, 2 osteopathic physicians were licensed by reciprocity, and 2 naturo-paths and 2 veterinarians were licensed. Three licenses to practice medicine and surgery in the Territory were revoked during the year and one was restored. Ten physicians left the Territory and four died.

At the close of the fiscal year there were practicing in the Territory:

Physicians and surgeons.....	269
Osteopathic physicians.....	10
Chiropractors.....	8
Naturopaths.....	12
Hawaiian herbists.....	4
Midwives.....	129
Funeral directors.....	22
Embalmers.....	35
Apprentice embalmers.....	4

FINANCES

The 1935 session^m of the legislature appropriated \$1,742,819.08 to carry on the activities of this department during the biennial period beginning July 1, 1935.

VITAL STATISTICS

The population of the Territory of Hawaii, as of June 30, 1936, was 393,277, an increase of 8,840, or 2.3 percent, over the previous year.

The greatest increase is shown in the population for the city and county of Honolulu, of 6,251, the city proper gaining in number by 2,285. Maui registered an increase of 1,010; Hawaii County (exclusive of Hilo City), 846; Kauai, 400, and Hilo City 252, while Kalawao decreased by 9.

All of the several races increased in number, except the Filipino and Hawaiian, which decreased by 1,118 and 116, respectively. The Caucasian group increased by 7,240, Japanese 914, Chinese 231, Korean 34, and all others 45.

DEATHS

The crude death rate of the Territory for the fiscal year ended June 30, 1936, increased by a small fraction over the year 1935, thus registering a second record low mortality rate of 8.58 per 1,000 population as against 8.48 in 1935 and 9.69 in 1934. There were 3,335 deaths from all causes in the Territory during the fiscal year, showing an increase of 99 deaths, or 3.1 percent over 1935.

Ten principal causes of death

Cause	Total deaths		Death rate per 100,000 of population	
	1936	1935	1936	1935
Organic diseases of the heart.....	468	414	120.35	108.46
Nephritis, all forms.....	295	281	75.86	73.62
Tuberculosis, all forms.....	293	307	75.35	80.43
Congenital malformation and diseases of early infancy.....	292	246	75.09	64.45
Cancer and other malignant tumors.....	262	243	67.38	63.66
Accidental external causes (suicides and homicides excluded)...	203	285	52.20	74.67
Bronchopneumonia.....	178	145	45.78	37.99
Cerebral hemorrhage, apoplexy.....	172	166	44.23	43.49
Lobar pneumonia.....	125	135	32.15	35.37
Diarrhea and enteritis (under 2 years of age).....	74	93	19.03	24.37
Total.....	2,362	2,315	607.42	606.51

COMMUNICABLE DISEASES

There was a tremendous increase in the number of cases of communicable diseases in the Territory of Hawaii for the fiscal year ended June 30, 1936, as compared with that of the preceding year. During the fiscal year of 1935 there were only 3,578 cases reported as compared with 15,243 for 1936, or an increase of 325 percent. This was due to an epidemic of influenza, which accounted for 11,294 of the reported cases. There was also an increase in the number of reports submitted for diseases not on the reportable list, there being 319 of these in 1936 as compared with 5 in 1935 and 10 in 1934. If the influenza cases and nonreportable diseases are subtracted from the complete totals, the final figures would be 5,520 for 1934; 3,399 for 1935 and 3,630 for 1936, showing that except for the influenza epidemic, the morbidity rate is almost the same as in 1935, and considerably less than in 1934.

On February 24, 1936, a full-time director of the bureau of communicable diseases was appointed to head this important bureau in the health department. Since his appointment considerable progress has been made in all of the activities of the bureau. An increase in diagnostic service has been offered to the public; complete follow-up work on food handlers whose medical certificates show the presence of contagious diseases has been accomplished, and more personal advice has been given to parents as to the prevention and spread of infectious diseases.

TUBERCULOSIS

More cures than deaths is the achievement in the control of tuberculosis throughout the Territory for the fiscal year ended June 30, 1936.

Three thousand one hundred and thirty-one cases of tuberculosis were registered with the bureau of tuberculosis during the fiscal year ended June 30, 1936. Deaths reported from tuberculosis over the same period were reduced to 293, while the number apparently cured, arrested, or apparently arrested by medical or surgical treatment, totaled 379 cases. Thus, there were 5 cures for every 4 deaths, and but 1 death for every 10 cases registered.

However, tuberculosis still comes third in the list of causes of death.

Tuberculosis deaths, however, were 14 less than were recorded for the previous year, and 159 less than of the fiscal year 1919-20, when a population of two hundred and sixty-odd thousand set the tuberculosis death rate at 200 (per 100,000 population); whereas, the rate for the fiscal year just ended, June 30, has reached the new low of 75, having declined successively from 99.7 in 1933 to 89 for 1934, to 80 as of last year, and to the new low of 75 for the fiscal year ended June 30, 1936.

The bureau of tuberculosis, in addition to maintaining an active register of all cases of tuberculosis in the Territory, supplements the medical work of the private physicians by making available, through its district-wide chest clinics, diagnostic and home care, as well as sanitarium placement where indicated to every man, woman, and child in the Territory.

TERRITORIAL HOSPITAL FOR THE INSANE

This hospital operated in a satisfactory manner, and the mentally ill were given efficient care. There were 842 patients on the books on June 30, 1936, of which number 816 were in the hospital and 26 were absent but still on the books. This shows an actual increase of 40 patients on hand as compared with 1935.

The hospital days for both patients and employees numbered 336,223, and the per capita cost of patients and employees was \$1.01.

The total expenditures for the year amounted to \$338,394.05 and receipts were \$30,594.90.

The farm, poultry, and hog activities continued under the direct supervision of the agricultural extension bureau of the University of Hawaii, and as a result have shown very satisfactory results, as well as financial profit. In addition to supplying the needs of the hospital, farm products have been furnished to the other Territorial institutions.

Maintenance of equipment and buildings has naturally increased, but with the assistance of the Works Progress Administration all important needs have been taken care of. Through the assistance of the Works Progress Administration, construction of necessary roads in the industrial section is nearly completed.

One female ward and two convalescent wards were completed during the year. This helped very greatly to lessen the overcrowding of patients.

BOARD OF HOSPITALS AND SETTLEMENT

With the close of the fifth year since the organization of the board of hospitals and settlement, July 1, 1931, it is gratifying to report the continued decrease in the total number of active patients at Kalihi Hospital and at Kalaupapa to 525 as of June 30, 1936, as contrasted with 623 for June 30, 1931, a decrease of 98 for the 5-year period.

At Kalaupapa the medical service has been improved, personnel has been increased, and improvements made throughout the hospital. The addition of a mental ward and improvements in the four dressing stations in the several "homes" apart from the hospital have been very helpful.

At Kalihi, medical relief and study of the patients has continued during the year under the direction and execution of officers of the United States Public Health Service stationed at the United States leprosy investigation station and immediately adjoining the hospital. These officers are designated by the board of hospitals and settlement as attending physicians to Kalihi Hospital.

During the year the board's physicians have conducted examinations of patients on temporary release, relatives and children of leprous patients and suspects on the four outside islands—Hawaii, Maui, Molokai, and Kauai, and also on Oahu. The numbers so examined are substantially in excess of those of last year.

As the majority of new cases occur among relatives of leprous patients, the periodic examination of these persons is an important public health measure leading toward early diagnosis and segregation—a very important factor in the control of the disease.

Perhaps the most noteworthy event of historic significance that took place at the settlement during the year was the disinterment on January 27, 1936, of the remains of Father Damien Deveuster from the crypt at the church of St. Philomina at Kalawao where they had lain since his decease in 1887, and their removal to Belgium.

The movement was set on foot by the receipt of a request from King Leopold, transmitted through President Roosevelt and acquiesced in by the proper authorities, that the Damien remains be restored to their native land for enshrinement. The rites at the ensuing ceremony were conducted by the Catholic Bishop of Hawaii, and a large gathering of government officials and Catholic clergy was in attendance. An impressive feature of the day was afforded by the presence at the proceedings of the members of the settlement who had come to pay their last tribute of affection to the memory of the beloved priest who had labored so long on their behalf.

The legislature of 1935 appropriated \$867,622.50 for the requirements of the board of hospitals and settlement during the 1935-37 biennial period, of which \$455,089.90 was expended during the fiscal year just closed. At the present time, it is estimated that the available balance will be sufficient to meet the requirements of the ensuing fiscal year. In addition to the above appropriations, \$3,359.70 was received from allotments for temporary assistants of which \$2,282.39 was expended to June 30, 1936.

The total direct institutional per capita cost per day for all purposes for the four institutions—Kalaupapa Settlement, Kalihi Hospital, Kapiolani Girls' Home; and Kahlihi Boys' Home—was \$1.67 and that of the previous year, \$1.46. For personal services and current expenses the daily per capita cost was 57 cents and \$1.10, respectively, as compared with 50 cents and 96 cents in each case of the year before.

FEDERAL PUBLIC HEALTH SERVICE

MEDICAL INSPECTION OF ALIENS AT HONOLULU

During the fiscal year ending June 30, 1936, 3,643 alien passengers and 33,190 alien seamen were given medical inspection at the port of Honolulu, among whom 76 alien passengers and 32 alien seamen were certified. Only 64 bona-fide immigrants were included among the aliens entering this port; 1,588 were classed by the immigration authorities as nonimmigrants, for the most part visitors, and 1,691 as returning residents. During recent years the importation of oriental labor into the islands has been discontinued, and for this reason the number of bona-fide immigrants given medical inspection has been greatly reduced.

The medical inspection of first- and second-class alien passengers and practically all alien seamen is made aboard arriving vessels in connection with the quarantine inspection of these vessels. Third-class and steerage passengers are removed to the immigration station, and they are inspected there a few hours after their arrival. A medical officer is available at all times on call for the examination of detained aliens at the immigration station.

HONOLULU RELIEF STATION

Medical relief is extended to service beneficiaries at this station, the out-patient office being located in the Federal building, Honolulu, which is centrally located, and in which adequate space is provided. The out-patient office is in close proximity to the water front and having been occupied as such for many years is well known to service beneficiaries.

HONOLULU QUARANTINE STATION

The quarantine slip, which was constructed by contract at a cost of approximately \$60,000 was inspected, approved, and turned over to the service on January 25, 1936. The slip and buildings erected around it are entirely satisfactory and adequate for the needs of the station, being a great improvement over the sunken barge which had been in use for several years.

One hundred seventy-two vessels were inspected at this station during the year, of which 161 were given free pratique and 11 given provisional pratique. All vessels are boarded outside the harbor in the open sea at this station. Of the 172 vessels inspected during the year, 130 were trans-Pacific liners plying between Pacific coast ports and the Orient or the Antipodes. These vessels are scheduled to remain in Honolulu a few hours only, and the agents are extremely anxious for their expeditious handling at quarantine. Cargoes entering this port from the Orient and Australia consist for the most part of silks, cotton goods, wood oil, hemp, copra, wool, hides, and fertilizer.

No quarantinable disease was found on any vessel or aircraft entering this port during the year.

Trans-Pacific air service between Alameda, Calif., and Manila, P. I., was inaugurated during the year. The first aircraft arrived at Honolulu from Alameda on April 17, 1935, and the first from Manila on December 4, 1935. This service has been considerably developed during the year, and it is expected that regular passenger service will be established in the near future.

ATTORNEY GENERAL'S DEPARTMENT

LITIGATION RESULTS

Exclusive of litigation conducted by the public prosecutor and the city and county attorney of the city and county of Honolulu and the several county attorneys, the following results were attained:

The department had no litigation during the year in the United States Supreme Court.

In the one Territorial case decided by the United States Circuit Court of Appeals, Ninth Circuit, the Territory was successful.

In the 12 cases handled by the attorney general before and decided by the Supreme Court of Hawaii, the Territory was successful in 11 cases and unsuccessful in 1. In the one case which was decided contrary to the attorney general's contentions (*Nichols v. Vannatta*, 33 Haw. 602) the department was not so much interested in the result as in securing a court decision for the protection of the fiscal officers.

The attorney general was generally successful in the great number of circuit court cases decided during the year with the exception of five cases involving the gross income tax levied upon professions, and injunction proceedings brought to restrain certain carriers from operating without the required certificates of public convenience and necessity. These cases have been appealed to and are now pending in the supreme court.

In all cases decided by the tax appeal court the Territory was successful.

TAX LITIGATION

The changes in the tax laws greatly increased tax litigation before all courts and boards. The department has handled all of this litigation and has disposed of many cases before the supreme court, the circuit courts, and the tax appeal court.

Despite the many serious court attacks made upon the several tax laws, it successfully defended the same in all cases decided during the past year by the supreme court and the tax appeal court. Had some of these cases been decided adversely they would have seriously affected Territorial finances. The supreme court decisions during the past year in the cases of *Thompson v. McGonagle*, 33 Haw. 594, *Oleson v. Borthwick*, 33 Haw. 766, and *County of Kauai v. McGonagle*, 33 Haw., were important victories in this respect.

In addition the department was successful in the only territorial tax case decided during the year by the United States Circuit Court of Appeals (*Lord v. Territory of Hawaii*, 79 Fed. (2) 761), and in all cases decided by the several Territorial circuit courts with the exception of the aforesaid cases dealing with the gross income tax levied upon professions.

In addition to the foregoing, a member of the department sat each week as a member of the delinquent tax adjustment committee, of which the attorney general is chairman.

PUBLIC UTILITIES COMMISSION

The attorney general, pursuant to statute, has acted as the attorney for the public utilities commission of the Territory. This activity has necessitated the attendance of at least one member of the department at all hearings, meetings, and conferences of the commission. It has represented the commission at hearings held to evaluate and fix a fair rate of return for the following public utilities: Maui Electric Co., Ltd.; Honolulu Rapid Transit Co., Ltd.; Hilo Electric Light Co., Ltd.; and the Mutual Telephone Co.

In addition the commission has been represented by members of the department at many and extended hearings held in respect to applications by vehicle transportation companies for certificates of public convenience and necessity.

After a hearing before the commission in respect to the rate base and rate of return of the Honolulu Gas Co., Ltd., the utility company appealed from the commission's order to the Supreme Court of Hawaii. After the case had been briefed and argued on behalf of the commission by the department, the supreme court sustained the commission's order with the exception of two minor points. (See *In re Honolulu Gas Company*, 33 Haw. 487). This decision affords an important precedent.

The department successfully defended the commission's right to investigate the Honolulu Rapid Transit Co., Ltd., after the utility had appealed from the commission's order to the supreme court. (See *Honolulu Rapid Transit Co. v. Public Utilities Commission*, 33 Haw. 697).

Much litigation grew out of the claims advanced by certain motor-vehicle carriers that the Territorial statute requiring certificates of public convenience and necessity (sec. 7958, Revised Laws 1935) was void. Many such carriers started operating over the public streets of Honolulu without first securing such certificates. A number of suits to enjoin these illegal operations, as well as to enforce statutory penalties, were commenced by the department. In the case of *Wong v. Public Utilities Commission* a judge of the First Circuit Court decided that the statute was void. After an appeal had been perfected by the Territory, the supreme court reversed the circuit court's decision upon another ground. (See 33 Haw. 813.) The validity of the statute is again before the supreme court in another case and an early decision is expected.

TAXATION OPINIONS

From 1933 to 1935, both years inclusive, the Territory substituted a radically different tax set-up for the one theretofore existing. The new program included new real property, personal property, net income, gross income, bank excise, business excise, consumption, liquid fuel, public utilities, unemployment relief, and poll tax laws. Most of these laws, within the brief period of 3 years, have been the subject of major amendments, substitutions and repeals. The burden of construing these laws as well as much of the work of fitting them into the economic life of the Territory has fallen upon the department. The questions that have arisen have been many in number and often complicated in character. For this reason a major portion of the time of the department has been occupied during the past year in rendering opinions to and preparing forms and regulations for the several tax administrators.

In addition to his legal duties, the attorney general, with each succeeding session of the legislature, has been given many administrative duties to perform. He is in charge of the Territorial police, notaries public, and foreign language newspapers. He is a member of the board of health, commissioners of insanity, delinquent tax adjustment committee, board of examiners of abstract makers, board of bar examiners, and the artesian wells board of appeal. In addition no reduction in any taxes appearing on the tax rolls can be made without his approval.

BOARD OF PRISON DIRECTORS

Some of the more important physical improvements at Oahu Prison effected during the year include the following:

Completion of incorrigible ward, dining room and kitchen units, refrigeration plant, and library quarters.

The farm acreage has been increased from about 3 to 12 acres, and much of the produce used at Oahu Prison is grown on the prison farm. About 2 acres is planted to a good variety of dry-land taro.

EDUCATIONAL ACTIVITIES

With a full-time academic teacher to supervise educational activities, augmented by the assignment of two F. E. R. A. assistants, improvement and training to inmates has been accomplished in this field when it is considered that this activity is voluntary and performed during the individual's leisure time.

The library has been extensively used and longer hours for reading encouraged. Many of the old books have been discarded as obsolete and, through the generosity of several public-spirited citizens, a goodly addition has been made to the number of volumes.

RECREATIONAL ACTIVITIES

This phase of the institutional program has not been lost sight of. Monthly activities known as Governor's nights, sponsored by inmate talent as well as by invited artists, are given regularly. Calisthenics, baseball, handball, volleyball, occasionally boxing and wrestling and field and track events, are permitted the inmates.

PAROLE WORK

In this, the board reports substantial progress along the lines developed by years of study of the many aspects involved. The purpose and justification of parole is that it is a system which will prevent prisoners from resuming lawless lives upon release. Its real test is its effectiveness in turning prisoners into law-abiding individuals and preventing them from becoming habitual criminals.

The parole system is often blamed for our failure to instill a proper respect for the law. But it needs to be emphasized that usually it is not the system that is at fault but failure to operate it intelligently.

The staff members are conscientiously and effectively doing their work on approved lines. Several public-spirited men have been added to the staff from outside circuits as volunteer parole officers, serving gratuitously.

The failure in paroles granted during the year is especially low when it is generally known that the placing of men "with records" in industry is a difficult task. The stigma which is always associated with this group in the minds of law-abiding citizens is also found in industry.

There were 53 Filipino prisoners released and returned to their native land during the year.

Following are statistical tables of Oahu Prison:

Prisoners serving June 30, 1936

Nationality	Male	Female	Total	Percent- age
American.....	18	-----	18	3.64
Chinese.....	43	-----	43	8.69
Filipino.....	126	1	127	25.66
Hawaiian.....	60	1	61	12.32
Caucasian-Hawaiian.....	41	1	42	8.48
Asiatic Hawaiian.....	33	1	33	6.67
Japanese.....	57	-----	57	11.52
Korean.....	21	-----	21	4.24
Portuguese.....	42	1	43	8.68
Puerto Rican.....	36	-----	36	7.27
Spanish.....	5	-----	5	1.01
German.....	3	-----	3	.61
Hawaiian mixtures.....	4	1	5	1.01
All others.....	1	-----	1	.20
Total.....	490	5	495	100.00

Classification of crimes by nationality, prisoners serving June 30, 1936

TERRITORIAL

Nationality	Assault with intent to commit murder	Assault with weapon	Burglary	Carnal abuse	Conspiracy	Embezzlement	Forgery	Indecent assault	Incest	Larceny and malicious conversion	Manslaughter	Malicious burning	Murder	Unlawful explosive	Robbery	Rape	Sec. 4391, R. L. H. 1925 (hit and run)	Sexual intercourse	Sodomy	Falsifying bank records	Total	Percentage
American.....	0	0	4	0	0	0	2	0	0	0	0	0	1	0	1	1	1	1	0	0	12	38
Chinese.....	0	0	6	1	0	0	0	0	0	0	0	0	0	0	0	0	0	10	1	0	14	36
Filipino.....	1	5	22	21	0	2	0	0	0	0	2	0	6	0	0	0	0	10	1	0	120	28
Hawaiian.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	120	28
Caucasian-Hawaiian.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	120	28
Asiatic-Hawaiian.....	0	0	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	120	28
Japanese.....	0	2	17	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	120	28
Korean.....	0	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	120	28
Portuguese.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	120	28
Portuguese.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	120	28
Spanish.....	0	0	10	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	120	28
German.....	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	120	28
Other Hawaiian mixtures.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	120	28
All others.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	120	28
Total.....	5	9	139	27	1	6	17	6	6	36	11	1	47	1	18	32	3	41	10	1	417	100.00

TERRITORIAL COURTS

The Territorial courts are composed of a supreme court of three members; 5 circuit courts, of which one has 4 members who sit separately and the others 1 member each; and 29 district courts. The supreme court and circuit court judges are appointed by the President and the district magistrates by the chief justice of the Territory. The circuit courts are the courts of general cases. The first circuit court also acts as a court of land registration. The circuit and district courts also act as juvenile courts. The principal juvenile and divorce court is the court of domestic relations in Honolulu. The legislature of 1921 established this division of domestic relations in the first judicial circuit. Its judge is one of the four judges of the first circuit court and is known as the judge of the division of domestic relations.

Court statistics, by calendar years

	1933	1934	1935
TOTAL CASES IN ALL COURTS			
Criminal cases.....	23,484	25,453	26,765
Civil.....	8,405	8,893	9,162
Total.....	31,889	34,346	35,927
Convictions in criminal cases.....	11,044	12,423	11,741
Percentage of convictions.....	40.87	42.32	37.89
CASES CLASSIFIED BY COURTS (CIVIL AND CRIMINAL)			
Supreme court.....	44	26	45
Circuit courts.....	1,902	3,306	3,202
District courts.....	29,943	31,014	32,680
Total.....	31,889	34,346	35,927
CASES IN SUPREME COURT			
On appeal, error, exceptions, and reserved questions:			
Law.....	17	6	21
Equity.....	6	4	7
Probate.....	5	2	3
Divorce or separation.....	3	1	0
Criminal.....	3	8	3
Miscellaneous.....	10	5	11
Total.....	44	26	45
CASES IN CIRCUIT COURTS			
Civil:			
Law.....	474	643	337
Equity.....	110	83	96
Probate.....	1,044	1,078	1,253
Divorce.....	701	778	948
Special proceedings.....	38	55	70
Total.....	2,367	2,637	2,704
Criminal.....	600	669	498
Total.....	2,967	3,306	3,202
Convictions in criminal cases.....	437	527	333
Percentage of convictions.....	63.24	66.46	60.32
CASES IN DISTRICT COURTS			
Civil.....	7,103	6,256	6,458
Criminal.....	24,840	24,758	26,222
Total.....	29,943	31,014	32,680
Convictions in criminal cases.....	10,607	11,896	11,408
Percentage of convictions.....	40.08	41.65	37.49

¹ 201 insanity, 49 drug addicts, 802 juvenile cases, 25 bastardy, and 22 feeble-minded cases not included.

Court statistics, by calendar years—Continued

	1933	1934	1935
CONVICTIONS IN CRIMINAL CASES, BY CLASSES OF CASES			
Offenses against property.....	497	615	483
Offenses against chastity.....	288	197	186
Offenses against peace.....	1, 106	1, 316	1, 136
Gambling.....	994	1, 098	1, 274
Liquor laws, violating.....	650	286	108
Drunkenness.....	894	2, 275	1, 739
Homicide (manslaughter, 6; murder, 13).....	21	19	19
Miscellaneous.....	6, 157	6, 617	6, 796
Total.....	10, 607	12, 423	11, 741

Racial classification of persons convicted, 1935

Hawaiian and Part-Hawaiian.....	1, 769
Chinese.....	1, 043
Japanese.....	2, 420
Filipinos.....	2, 038
Puerto Ricans.....	443
Spaniards.....	52
Koreans.....	186
Russians.....	29
All other Caucasians.....	3, 425
All others.....	336
Total.....	11, 741

COURT OF DOMESTIC RELATIONS

The work of this court includes mainly the adjustment of family difficulties and the successful placing of girls and boys in the proper environment. There are more cases settled out of court than are brought before it. Dependent children are placed in private homes, private institutions, and public institutions. Delinquent boys and girls are in many cases awarded to the care and custody of private families. If this proves unsuccessful, they are then placed in the industrial schools.

FEDERAL COURT

The Federal court located in Hawaii is a United States district court with the jurisdiction, also of a United States circuit court. There are two district judges, a United States district attorney, and three assistant district attorneys affiliated with this court.

Cases in Federal court

	1935 filed	1935 con- cluded	1936 filed	1936 con- cluded
Bankruptcy.....	125	142	152	153
Admiralty:				
United States not a party.....	1	7	2	2
United States a party.....	4	4	4	4
Civil:				
United States not a party.....	5	7	2	3
United States a party.....	18	25	21	19
Equity:				
United States not a party.....			4	3
United States a party.....	1		4	4
Deportation.....	20	3	7	9
Habeas corpus.....	8	7	6	6
Criminal.....	249	245	269	266
Naturalization:				
Petitions.....	197	186	244	212
Declaration of intention.....	58		183	
Miscellaneous cases.....	2	2	5	5

	1935	1936
Aggregate amount of judgments obtained during the year in favor of the United States (civil).....	\$508.00	\$591.24
Amount realized from such judgments obtained during the year.....	508.00	591.24
Aggregate amount of judgments obtained during the year against the United States.....	1,253,599.78	
Aggregate amount of fines, forfeitures, and penalties imposed during the year.....	25,261.67	14,145.35
Amount realized on fines, forfeitures, and penalties imposed during the year and former years.....	10,723.91	5,818.74

Classification of criminal cases

	1935, filed	1935, con- cluded	1936, filed	1936, con- cluded
Assault on customs officers.....	1	1	1	1
Assault on high seas.....			2	1
Conspiracy; internal-revenue statutes.....	2	2		
Counterfeit.....	7	7		
Customs.....	2	3	6	5
F. E. R. A., illegal charging interest.....			8	8
Forging and passing U. S. Treasury certificates.....	2	2	2	2
Government property, removing and stealing.....			2	2
Immigration.....	1	2	4	4
Internal revenue:				
Liquor.....	167	162	162	161
Income tax.....		1		2
Military reservation:				
Reentering against orders.....	2	2	2	2
Robbery.....	1	1		
Heedless driving.....	1	1		
Narcotic violations.....	37	37	64	62
National Recovery Act.....	11	11		
Post-office offenses:				
Embezzling postal funds.....	1	1	3	2
Forging and passing United States money order.....	1	1		
Larceny.....			1	1
Mailing obscene letter.....			2	2
Mailing demand letter.....	1	1	4	4
Stealing parcel-post packages.....	2	2	2	2
Private property; stealing on the high seas.....			3	3
Uniform U. S. Navy, unlawfully wearing.....	1	1		
United States veteran's bonus certificate:				
Making false claim.....			1	1
Unlawfully charging fees.....	1	1		
White slavery.....	6	6		
C. C. C.: Presenting for payment false claims.....	2			1
Total.....	249	245	269	266

Comparison of the number of criminal cases, by defendants, concluded in the United States District Court for the Territory of Hawaii during the fiscal year ended June 30, 1936

	1935	1936
Convictions.....	291	317
Acquittals.....	5	1
Nolle prosequi and dismissals.....	12	23
Total.....	308	341
Cases pending.....	7	24
Total.....	315	365

PUBLIC UTILITIES COMMISSION

Under the jurisdiction of the Public Utilities Commission of the Territory of Hawaii there are 8 railroad and transportation companies, 1 telephone company, which includes branch systems on the islands of Maui, Molokai, Kauai, and Hawaii, 13 electric companies, 2 gas companies, 2 water companies, and various common-carrier motor-vehicle systems individually owned, totaling an outstanding capital stock of \$23,219,952.50, and annual gross income of \$10,135,854.09.

There have been decreases in electric rates on all of the various islands during the year, effecting substantial savings to consumers of electric energy; also there has been a reduction in the rate of gas on the island of Oahu, with a possible gas reduction on the island of Hawaii now under consideration.

Work on the revaluation of the properties used and useful in public service of the Maui Electric Co., Ltd., was completed during the year, resulting in an adjusted rate base of \$276,259.32; and the rate of return was revised from 8 to 7 percent per annum.

Work is in progress in connection with the valuation of the properties used and useful in the public service of the Hawaiian Electric Co., Ltd., the large electric utility on the island of Oahu; it is contemplated that this work will be completed by the end of the present year.

The commission is also evaluating the properties of the Mutual Telephone Co., together with its branch systems on the various islands. The revaluation of the Honolulu Rapid Transit Co., Ltd., is also under way.

The commission has held many public hearings during the year in connection with petitions for certificates of public convenience and necessity and for the general regulation and operation of common-carrier motor vehicles. The validity of the act governing the regula-

tion of common-carrier motor vehicles has been raised by several persons, and the case is now before the supreme court awaiting a decision relative to the constitutionality of said act, which was passed during the 1933 special session of the Territorial Legislature.

Respectfully submitted.

J. B. POINDEXTER,
Governor of Hawaii.

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